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NOTES

ON

CIVILIZATION,

OVER-PRODUCTION,

COMPETITION,

PROTECTION,

SILVER QUESTION,

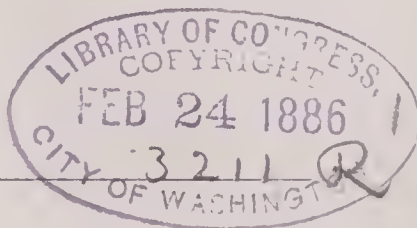
CHINESE, ETC.

—GIVING—

A CAUSE FOR THE PRESENT DULL TIMES

—BY—

F. S. Graham
FREDERIC GRIMM.



SAN FRANCISCO :

1886.

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NOTES ON CIVILIZATION.

CHAPTER I.

I. THE POOR WHITE.

What are known as poor whites in many sections of the United States, or Missourians in the far West, are white people who do not care for more than a rude, coarse living. Can they obtain such a living by working fifteen or twenty weeks in a year, they will not work more than fifteen or twenty weeks. Neither will they try to learn to be first class workmen at any thing they work at. In no way do they show any desire for more than a frugal, economical existence.

Does one suppose a state to contain none other than a people, who care but for a shanty, hog, hominy, (or similar food) coarse clothes, whisky, and tobacco, then one can see that only a demand for workmen to produce shanties, etc., will exist. No mechanics will be demanded, for the coarse products required for a cattle existence, can be made by any common laborer.

In California where whole districts are settled by this class, one can travel for days and see no work that requires fine mechanics. There is only a demand for laborers. Not only poor work, but very little of it can be found. In fact a Mexican village or a digger Indian camp, are as good places for a fine mechanic to find work in, as a district settled with Missourians or a similar class from Europe or other parts of United States.

2. THE MORE CIVILIZED WHITE.

These are people who are not so coarse tasting, and who, have they the opportunity, will work so as to obtain a finer quality of living than the poor whites are satisfied with. They will want finer shelter, perhaps artistically built stone houses, are they of the highest taste; they will want a large variety of finely cooked food, fine clothes, etc.; they will want books, music, paintings, etc. In every way they will want of the best they can get; also will try to be excellent workmen instead of scrubs. There will be nothing of the scrub about them.

When a state is full of such people, a demand for fine stone and brick masons, sculptors, joiners, cabinet makers, gardeners, cooks, bakers, tailors, etc., will exist. Also printers, paper makers, book binders, and scores of other such workers will be in demand.

3. CIVILIZATION.

What I mean by civilization can now be shown. It is the difference in the desires of a people. Do one people demand a finer living than another, then they are more civilized. The tastes of a people, as I see it, have all to do with the style they live in, and determine their civilization.

If one state is filled with people who have no taste for more than shanties, coarse food, clothes, etc., as regards necessities, with coarse whisky and tobacco for luxuries, while another state is filled with people who want fine stone buildings, etc., then there will be a difference in civilization caused by the different tastes of the two kinds of people. In one state a first class mechanic would starve, while in the other a scrub would find it hard to obtain work.

4. TASTE AND INDUSTRIAL DEMAND.

Were all of poor white taste, man could group in small villages or communes and live as socialists dream of. Between planting and harvesting seasons, it will be easy for the socialists to make or repair hovels, coarse furniture, clothes, etc. Any one can see that the consumption of scrubs is so little, that it is easy for them to make what they need, when using but the commonest hand tools. As they have no artistic desire the coarse output of a scrub laborer will satisfy all their longings for quality.

Mining as we know it to-day need not be carried on. A few score pounds of iron will last a family for a generation. The little ore necessary to supply them with metallic products can be taken from surface croppings, as is now done among savages.

All becomes different when people have a taste for fine stone constructions, etc. The demand for fine stone buildings calls for quarrymen, masons, lime burners, sculptors, stone polishers, etc. These in their turn require tools of all kinds. Again, fine furnishings for houses calls for rare lumber, etc., besides fine carpenters, joiners, cabinet makers, etc., all of which calls for tools, etc..

On this one item of shelter, where a scrub will be satisfied with a shanty and rough furniture and so give no work to any but a laborer or scrub mechanic, one can see how great the change made by the existence of a higher taste. Scores of trades or callings can be traced to this one demand of shelter by civilized people.

With food it is the same. Poor whites, if left to them-

selves, will raise the food that takes the least labor. If two varieties will do for an existence, they will not raise more than two varieties. They will live year in and year out like savages or cattle, on the same two or three varieties of food. With the civilized it is different, they demanding many varieties and wanting them finely prepared. This calls for scientific farming, also for fine cooks, bakers, etc., while creating a demand for fine kitchen furniture, etc..

With clothes and even such luxuries as liquor and tobacco the civilized differ from the scrub. One like a savage has no taste for quality, the other demands the finest.

In books, music or arts of all kinds, and in roads, bridges, docks, ships, etc., the civilized demand things that the poor white has no use for. It is not because of poor whites in United States to-day, that ships, docks, roads, etc., are needed, but because there are others than poor whites in existence.

The thousands of workmen who find work on roads, bridges, ships, docks, etc., also as printers, type founders, book binders, etc., etc., would be without work were all of the taste of poor whites.

One can now see how the industrial class is built up, and how it comes that in some places only a few scrub mechanics can get work, while in others many fine mechanics are employed. It all lays in the tastes of a people. Where Missourians hold out, Missouri mechanics are wanted, etc.

5. ON NON-LABOR EXPENDITURE.

Many people consider that if only a man spends his money and so helps to keep money in circulation, that

it is all right, That this idea is wrong and that little good as regards labor can come from some kinds of spending, I will try to explain. The expenditure of money on harlots, pimps, gamblers, etc., does not create much demand for labor, but creates a demand for harlots, etc. Where many create such a demand, there may be found many harlots, pimps, gamblers, etc., while comparatively few workers will be seen.

Many gold miners who came to California in early days lived on pork and beans, wore cheap clothes and spent the bulk of their earnings on rotten women, gamblers, etc. The demand for labor by such men amounted to little, because they consumed little that labor created.

To see the full effect of this kind of expenditure, let one suppose that a state be mainly filled with said miners, and further, that each receives \$1200 income per year, with food, etc., at present prices.

First, the scrubs would build cabins or hovels. Next, lay in a supply of coarse food, clothes, etc. In all about 150 dollars, expended on food and other necessities, would supply a scrub for a year.

The balance of a scrub's \$1200, or \$1050 would go for harlots, betting on races or other gambling, getting drunk and having a good time in scrub fashion. The scrubs will consume some whisky and tobacco, which of course means some labor product consumed.

Of the 150 dollars expended for necessities, not over sixty need go for labor, the balance going to traders, etc. At \$2.00 per day, this means thirty days' labor. To this thirty days' labor must be added the labor consumed in whisky and tobacco, or say twenty days more. One

now has a total of fifty days' labor product consumed by a scrub when spending \$1200 of income.

A virtuous girl would only have a show to earn about ten dollars on such a scrub's consumption. This ten dollars' worth of work may be had in making the clothes, blankets, etc., the scrub wears out. A rotten girl, however, may get as high as \$500 of the \$1200. So one can see that for every ten such a piece of animated carrion gives to a virtuous girl, he may give \$500 to one of his own rotten spirit.

Being rotten souled themselves, this class creates a demand mainly for rotten girls, pimps, gamblers, etc. Where they exist a better grade of people have little show to live.

One can now see why, if a man saves on his living, in order to have gambling, spreeing or harlot money, that he gives little work to honest labor. Does a State have many of this low class in it, then it must be a poor place for work.

In San Francisco there are many people of this spirit. They often enjoy good incomes, while they do not give others much work. They spend the most of their wages on rotten girls, gamblers, etc.. This is one reason why rotten girls do so well in San Francisco and virtuous girls must compete with Chinese. It is all because of the spirit of many of the San Francisco people. Fill California with men of rotten taste and it will show in the demand for labor. Such men think it smart to get drunk, slobber over rotten females, gamblers, etc., and so shape their demand. They will save on their living in order to have money to spend on pleasures.

6. CIVILIZATION AND SAVING MONEY.

If everybody lived like a poor white or serf in order to save money, then there would be no demand for workmen in order to make fine products. Whether men live like cattle from taste, or from a desire to have harlot money, or for economy's sake, it is all the same as regards consumption. One thing is certain, if no one wants more than a hovel, breech clout and potatoes, no one will get work at any thing but hovel, breech clout, and potato production.

7. CALIFORNIA AND IMMIGRATION.

There are 40,000 workers in every 100,000 people, besides females enough for wife and home duty. These 40,000 must get work, and if only breech clouts and potatoes were demanded, they all would have to get work at such production. Now if 2,000 could do all the work, it stands to reason, each of the 40,000, if the work were equally distributed among them, would not get over three weeks' work. The rest of the time they could loaf. Now while the poor white consumption is not down to hovel, breech clout, etc., still it is so low that no more than 15,000 workers are needed to supply the demand of 100,000 poor whites. The result one can see by going into counties filled with poor whites, in the large amount of loafing done.

An evil effect of too low consumption can be seen by supposing that during 1886, California will receive 100,000 immigrants, and that these are all Missourians or of similar kind from other white countries. As this 100,000 comes pouring into the state, they will create a

demand for what 15,000 workers, traders, etc., can produce and sell, while they will bring with them 40,000 workers hungry for a job.

One can see if 40,000 workers come into the State, do they create work for but 15,000 workers, that it is not going to benefit the State. By the time the State has a million more population, if of this kind, 250,000 idle workers will be added to those now idle in the state.

OVER-PRODUCTION.

CHAPTER II.

8. SAVING MONEY AND OVER-PRODUCTION.

Would saving money only cause a people to exist like poor whites it would not be so bad, for they could divide the work that is, among them, each getting enough work to enable each to buy the scrub living that suits him. But this is not so, for saving can and does cause most of the over-production.

The over-production appears as soon as more money is saved than is spent on construction or capital building. For example, suppose during 1886 the people of San Francisco saved twenty millions, which all went into savings banks, while but ten millions were taken from the banks and spent in building homes, factories, etc., or in repairing and improving constructions of all kinds. The result would be that ten millions of over-production would result. Had not a dollar been spent for constructions, then twenty millions over-production would have resulted. The over-production can be San

Francisco factory product or merchandise gained through trade.

From this it will be seen, that saving money must be spent for constructions as fast as it is saved, if no overproduction is wanted. Investing it in stocks, improved property, etc., will not do. It must be so invested that it will cause consumption of labor products.

9. UNLOADING OVERPRODUCTION.

When overproduction exists it must be gotten rid of by unloading on outsiders, and taking coin or property for it. Will San Francisco have ten millions overproduction on hand by 1887, can she unload this on the outside it will not hurt San Francisco production. If San Francisco can not unload, then it will lay on the hands of San Francisco people and depress trade.

One can see, that San Francisco may unload within United States and therefore what is overproduction to San Francisco is not overproduction to United States. What is overproduction to United States is what United States has over after utilizing all she needs for construction. Much overproduction of the towns can be used up in building railroads, etc., outside the towns and within United States.

10. ECONOMIC NATIONS OF THE WORLD:

The economic nations of the world, I call those of Western Europe and also the United States. The rest of the world I do not consider economic. By the aid of machinery these economic nations can easily compete with the rest of the world, and can be, for explanation purposes grouped together. By so drawing a line between the economic nations, and the rest of the world,

and supposing them to practice saving money above that needed for home purposes, one can see just what show they have for unloading overproduction on the rest of the world.

On the capacity therefore of the balance of the world for taking overproduction, depends the prosperity of the economic nations. If the latter can not unload outside, then of course they will have overproduction on their hands. This is exactly what causes the hard times of to-day.

The last boom of 1879-81, was caused by the economic people spending their savings on railroad, factory, ship, and other construction. Not only the savings of these years but the accumulated savings of several previous years were spent in above mentioned construction. This had the effect of using up saving money and merchandise, as fast as saved or produced.

The moment this constructing slackened of course savings began to remain uninvested, while overproduction appeared. The outlet for merchandise falling off in West Europe and United States, of course if the outsiders could not take the overproduction resulting from saving, depression must result from its laying on the hands of economic peoples.

II. ON REMEDY.

The only remedy I see that will do any good is for the people to cut down saving money. To do this the people must spend some of the money they now save in buying a finer quality of merchandise. In other words the economic people must put on more style.

Spending money on harlots or serf's pleasures will

not do. The money must be spent in buying a finer living.

Of course if more railroads, etc., are wanted more can be built, but right here comes in the question of style, for if nobody lives any better, no more work except that caused by increase of population will be demanded. The railroads may gain a little by this increase but as 40,000 new workers come to the front with every increase of 100,000 population, the mass of the people will not gain.

Increase of population I look on as a nuisance, if it brings 40,000 workers to every 15,000 new jobs. Then again improvements in machinery or effectiveness of railroads, will neutralize in many ways increase of population.

If money is not wanted for building new railroads or other capital property and the people do not see any sense in living in stone buildings, etc., then I can see no way to avoid the hard times of to-day.

Working for others will not go, for others have more than they want. Outside the economic nations no one wants as much as we now can give them, while inside the economic nations there are few who want more. We can only work for ourselves or other people and the latter avenue is closed, or we would be able to get rid of overproduction. So only by consuming more ourselves can we get rid of overproduction. This latter can only be done by those who save buying a finer quality of shelter, food, etc..

Some will say there are many who want more in United States than they now get, but capital robs them of the show. This is not true as regards the mass. Many want more but it is more harlot, whisky, betting,

saving money, etc. Such wants do not make the wants I refer to, or wanting a finer grade of products.

12. GOLD AND SILVER MINING AND OVERPRODUCTION.

Gold and silver mining has in the past given, and will in the future give, an outlet for overproduction. This is due to the fact that gold and silver are money metals. For example:

A country like Mexico, do her mines produce thirty millions of gold and silver yearly, can take this amount of overproduction from the economic peoples. Without gold and silver mines Mexico could but exchange products. This would not enable Europe to unload overproduction. What Mexico can do all the other money mining people can do. So the economic world can unload overproduction to the extent of the mining output of bullion the world over.

This outlet for overproduction has existed through centuries. For our present purpose however we can say it existed for us moderns since the discovery of America. Between the years 500 and 1500, the mining outlet must have had little influence in Europe, but since 1500 the pouring into Europe of a stream of money metal has been large and continuous; enabling the towns to unload over production and no doubt greatly stimulating economy or the saving of money.

Common sense will tell one, that if the people of Europe and United States never have more overproduction then the bullion outlet can consume, that saving money can go on without a jar. In this way money metal can enter circulation. Should the mining output

fall off then any saving caused by mining must also fall off.

13. AN ASIAN OUTLET FOR OVERPRODUCTION.

Before a sea route to Asia was discovered, let one suppose that Asia had the best of trade with Europe, that is, took coin from Europe. Now if the finding of a sea way was followed by the Europeans taking coin from Asia, one can see that another outlet for overproduction was found. It is well known Asia had been accumulating coin for centuries, which would have given the European a large accumulation to draw from.

This taking coin from Asia may have continued down to the year 1850, when the discovery of gold in California and later in Australia, may have had the effect of increasing the coin supply of Asia, or at least put a stop to taking more from Asia.

When the inflation following on gold discoveries had subsided, or been neutralized by machinery and other such improvements, then Europe and United States may have again begun to reduce the coin in Asia and have been doing so ever since.

14. What I mean by Asia increasing her coin supply after 1850, is that if prices rise in economic Europe and United States, that it will give more room for money circulating outside. For example, suppose prices went up in Europe twenty per cent. during 1886. This would allow Mexico to circulate twenty per cent. more coin than she circulates to-day. So it would be all over the world. Africa, Asia, America, etc., could not help but gain coin and circulate it.

Where will the outsiders get the coin, some will ask.

By trade is one way; for raise the price of sugar, coffee, etc., in Europe, and the producers of sugar, coffee, etc. will get more coin. The same with Asian goods, are, the prices raised in Europe. There are other ways coin can get into circulation outside the economic world, and once outside the prices will determine whether it will come back or not.

Do 3,000 millions of coin now circulated outside economic Europe and the United States, then by raising prices 20 per cent. in Europe and United States room for 600 millions more outside will result. Instead of 3,000 millions 3,600 millions would circulate outside. The additional 600 millions would come from the hoards of money in Europe and United States.

A fall in prices of 20 per cent. will enable Europe and United States to unload 600 millions overproduction on the rest of the world, reducing the circulation from 3,000 millions to 2,400 millions.

15. SURPLUS MONEY IN EUROPE AND UNITED STATES.

Where much of the surplus money in Europe and United States can come from one can see. It was all in circulation some time previous to 1880, but was taken from circulation by fall in prices.

The European capitalists can get more coin then to-day in their hands by dropping prices. As fast as prices drop overproduction can be unloaded on the outside, and the coin taken to Europe and United States. For example, suppose Mexico to-day circulates fifty millions of coin, and will mine thirty millions more during 1886, a drop of 20 per cent. in prices will enable Europe to unload forty millions of overproduction on

Mexico during 1886, thus taking the mining output and ten millions of the present circulating medium.

As can be done with Mexico, can be done with the rest of the world. The capitalists of Europe can, therefore, find coin accumulating on their hands, the lower prices fall. So will it be in the United States.

16.—PAPER MONEY AND OVER- PRODUCTION.

Does U. S. say, issue 500 millions of greenbacks, spending in addition to the regular expenditure, the result would be as if 500 millions of gold were mined and circulated. The same result would follow the issuing of National Bank paper—or any paper money.

Were 100,000 of gold taken from mines, minted into coin, and then used as security for 500,000 of bank paper, the floating of 500,000 of paper would act as if 500,000 of new gold were circulated. It would swallow up 500,000 of overproduction.

When a body of capitalists take U. S. bonds or gold, and issue paper on them, they can buy with the paper labor or labor product. Do they float 500,000 of paper they can buy land for 100,000 say, and erect a 400,000 dollar building on the land, or they can build 500,000 of railroad. In this way they gain what could be overproduction were it not utilized.

Should the South American people adopt paper money, the governments could buy to the extent of the paper. Then, as the paper will allow Europe or U. S. to take away what coin circulates, another batch of overproduction could be got rid of. The United States could do the same. The government could issue 500 millions of paper and buy with it, say

labor and material for war ships, fortifications or army. This amount of paper would be apt to displace 500 millions of coin, which could be given to Europe for overproduction. The result could be that 1,000 millions of overproduction may be gotten rid of.

It will be seen Europe could gather all the coin in the world to itself did outsiders use paper ; also, while doing so, Europe could unload overproduction. The European economists could study the question from the European standpoint, and so find good proofs that if people save they can make money, While all this is going on, every European editor can be advising the people to save, economize, etc. But when Europe has gathered all the coin, one can see that the trouble will be to get the people to stop saving.

This is a trouble to-day. So many have advised saving that millions of ignorant people believe in it, and from now on it will be hard to get them to stop saving.

17. BONDS, MORTGAGES, STOCKS, ETC.

Are also means by which overproduction can be kept from showing itself. Of course the term overproduction is not exactly correct, but the reader can see that I mean what would be overproduction were it not for its consumption by means of bonds, etc.. For example, suppose United States issued 100 millions of bonds and used the money received for building fortifications within United States. The result would be that 100 millions of product would disappear. Had the government not done this then there could have been 100 millions of coin lying idle, and 100 millions of overproduction oppressing trade.

The same rule holds good for preceding article, and in fact all I write on in this line. If an outlet exist there will be no overproduction and when I say outlets for overproduction, I mean what would be overproduction were there no outlets.

When the United States issued 2,000 millions of bonds during the civil war, it gave an investment for a large amount of savings. The government used up the overproduction on the war, the saver got the bonds. Here we see that as much overproduction found an outlet by reason of bonds, as found an outlet by reason of the gold output of California since 1849.

Railroad or corporation bonds of any kind act the same as government bonds. A railroad company say, spend twenty millions in gold on building a railroad, and issue fifty millions of bonds, stocks, etc., which they sell say for forty millions in gold. Here are twenty millions of honest dollars made. The forty millions of gold can be used to make another turn netting the builders say seventy-five millions clear gold. The reader can trace sixty millions of labor or material, put into railroad building in above supposition. Do the builders make another turn and spend seventy-five millions more in railroad building, one can see 135 millions of what could be overproduction consumed. In this way bonds and stocks allow the use of property built, for the purpose of getting more coin.

Mortgages act the same. A man can spend 100,000 on a building, mortgage it for another 100,000 (is the lot valuable) and build again. The mortgage therefore does for the private builder, what the bond does for corporations and governments.

This and last article show how the results of saving

are disposed of within a nation. Outside the same can take place as I will explain.

18. FOREIGN INVESTMENTS AND OVER-PRODUCTION.

Should European capitalists invest 500 millions in China between 1886-90, than European traders can unload 500 millions of overproduction on China and get the money back. Perhaps no more than fifty millions of coin will be needed, for as fast as it is given to Chinese it comes back again for merchandise, and can be used again for investment.

The same was the result of the investments made in Mexico about 1880. The United States people put their coin into Mexican roads, and as fast as it was spent in Mexico, it began to go out. Europe dumped in overproduction and the coin went to Europe.

West Europe in the past invested millions in such countries as Peru, Turkey, Egypt, etc. In fact the whole world outside West Europe was loaned money, so long as it had the security. In this way Peru got money so long as her nitrate or guano beds and other property were fit to advance money on. After Peru had no more security to offer, no more money was loaned her.

All the money so invested went into circulation and returned to the investors through trade channels. Did a South American state discover good mines, etc., the European capitalists could buy the property, build railroads to it, and develop it in every way. As fast as they spent the money in South America European traders could unload overproduction and bring it back to Europe. When all was over Europeans would

own the property, and the coin that bought and developed it. All the South American people get will be good times while the money is being spent.

The United States people have been treated like a nation of Peruvian Indians in the past, if they are not still being so treated. The European capitalists buy up fine property in United States and then their traders unload overproduction on United States, taking the coin away. This they did in the past, but whether it is safe to-day I believe not. The reason it is not so successful to-day is because the United States has developed into one of the economical kind.

One can now see what a fine field there has been in the past for West Europe. That West Europe improved her chances one can see by looking at what she had done. Mexico is a nice example as one can see from the fact that she has borrowed all she can. All this investing has given an outlet for overproduction. People saved in Europe and so had millions of coin and merchandise over. They invested the coin outside, and then sent overproduction after it in order to get the coin back. They did this until they held a mortgage on all outside worth having, excepting perhaps property in China and a few other places.

19. ENGLISH WAR SUBSIDIES AND OVERPRODUCTION.

Suppose Turkey should go to war as England's ally, and the English government to give Turkey a war subsidy of fifty millions. The Turk would spend the coin on war material say from England, in which case it would be as if England furnished the Turkish soldiers with war outfit. If any coin was spent in Turkey the

chances are the English trader would get it in return for overproduction. The English people would save and give to the government the savings for bonds. The English government could give the coin to Turkey, which leaves the English people the show to get it back again. In this way the same coin could be used over and over.

During the Napoleonic wars England gave many millions to allies on the Continent. This money she got back with overproduction. When England gave Prussia say millions of money, the chances are it went back to English people for war material. The English worked and saved, the allies did the fighting. When the Napoleonic wars ended, of course this outlet for overproduction ended. Had the English got into the habit of saving so much each year, of course did they try to continue such saving after the wars ended, it would cause hard times.

COMPETITION.

CHAPTER III.

20. MONEY THROWN FROM CIRCULATION.

The direct result, when competition causes a cut in prices and wage, is to throw money from trade circulation. For example, if in United States to-day (1886) there are 600 millions used for trade circulation, a cut in prices of merchandise of ten per cent. during 1886 will throw from circulation 120 millions of money. The remainder, 480 millions, plus a little for increase of pop-

ulation, would be all the money needed for trade at the beginning of 1887.

The throwing of money from trade circulation does not mean that it shall leave the country, for it can lay in banks. Money is used for capital purposes, speculating, etc., as well as trade, and so a cut in wage can be followed by more money for capital, etc..

21. COMPETITION BETWEEN NATIONS.

Does England cut prices and wage it not only will result in piling up money in English banks, but it will allow them to undersell other nations. This will force the other economic nations to cut wage and prices, or raise protective tariffs. Does it cause the others to reduce prices, then all over the economic world money will be thrown from circulation. Do the economic nations circulate 3,000 millions a cut of twenty per cent. by one nation can cause 600 millions to be thrown out of trade circulation, is tariff not raised.

One can now see why, if money is thrown from circulation in United States by cut in prices, that it need not leave United States, for the other nations can have plenty idle money also. Again it need not be England that cuts first, but any of the large economic countries can do so, and force the rest to cut, raise tariffs, or find their home market a dumping ground for overproduction.

Outside the economic nations, do 3,000 millions of coin circulate to-day, a cut of twenty per cent. in prices will allow of the economic nations unloading 600 millions of overproduction on the outside. So the banks of economic nations could find their stock of

money increased by about 1,200 millions, of which 600 millions coin come from outside.

To understand the situation thoroughly suppose that between 1886-90 prices fall twenty per cent., also that 6,000 millions coin circulate through the world's trade channels to-day. The first result, say, is 1,200 millions of coin thrown from circulation. Next four years mining output or 800 millions is added to the 1,200. In all 2,000 millions, from which must be deducted for increase of population and loss by wear and tear, say 500 millions, making 1,500 millions more idle money in the year 1890 than is idle to-day.

Looking back to 1880, let one suppose that 8,000 millions then circulated, and that fall in prices, have since thrown 2,000 millions from circulation. To this the mining output added say 1,000 millions. After deducting for increase of population, etc., one can see that there may be 2,500 millions more idle coin in 1886 than there was in 1880. This can account for the large amount of coin seeking investment in Europe and United States. If to this is added more from now on, the reader can see plainly the tendency of competition from now on, which will be to add to the 2,500 now out of circulation.

22. WAGES, INTEREST, RENT, ETC.

It is noticed that when wages fall so do interest, rents, etc. This is due to the taking of coin from circulation. As coin is taken from trade circulation by the fall in prices, it piles up in banks or hoard. As it cannot be used in trade (meaning merchandise trade), it can only be used in buying and selling real estate, stocks, bonds, and other capital values or property

This results in reducing interest, besides leaving always plenty of money idle in banks.

The taking of coin from circulation will cause a fall in incomes of all kinds, while the competition resulting from too much idle money can cause capital values to go up, which is equivalent to another fall in interest. For example, say a railroad is paying 6 per cent. dividends when wages and prices are reduced one-third. This would cause the dividend to fall to 4 per cent. Now do we suppose that when the dividend was 6 per cent. that the stock sold at \$100, one need not expect that it would sell for less value when the dividend fell to 4 per cent., because the money drawn from circulation by fall in prices will not only keep it at \$100, but may send it much above 100. Does it send the stock up above 100, then idle money assists in reducing interest. Therefore, one can see that interest can fall from two causes.

One harm capital does to itself by reducing wage can now be seen. It causes coin to be taken from circulation and be used to reduce interest, besides causing interest to fall by reducing incomes.

23. MORE WORKMEN NOT WANTED.

Some capitalists may suppose that with lower wages more workers can be employed. This is not so, as the tastes of a people set the demand and consequently the number of workmen required. Unless the people of West Europe and the United States live in better style no more work will be demanded. Not only no more work but no more capital. For example take San Francisco. If the people never average a better living, then no more workmen per each 100 of people will be

needed. As with San Francisco so with every town in the world. Neither will more capital be needed for each 100 people.

Increase of population may give more work, but improvements in machinery can do much to neutralize such increase.

A foreign outlet for labor product cannot be thought of in these days of economy and competition. The amount of overproduction that can be unloaded outside the economic nations is limited to the mining output, amount of money invested in other countries, etc.

All that capital can do, does it try to circulate idle money, is to raise wages, etc. This is why wages go up as soon as a boom begins. The number of workers being set, more money circulated sends up wages.

24. REAL ESTATE AND IDLE MONEY.

When prices and wages are falling and money being piled in banks, it is natural that real estate values should go up as high as possible. Instead, therefore, of such advance in real estate meaning any good for trade it means the reverse.

Rents fall with prices, yet as interest also falls, one can see that real estate values can remain firm. (See Art. 22.)

With government bonds or any sure investment it is the same as real estate. When money begins to accumulate in banks all such investments can go up.

25. COMPETITION FROM 1886 ON.

Are my views right, then every cut in prices from now on will simply add to the idle money in banks. As money piles up, incomes, rents, wages, profits, etc.,

all will go down. No escape from this result is possible. The only real benefit can be found by raising wages, prices, etc., and then leaving them remain up. To do this however is fatal to competition or economy.

Each cut in prices may result in increased sales, as it allows overproduction to be unloaded. As unloading overproduction is the cause of competition, one can see that cutting prices is really in the interest of competition by increasing the outlet for overproduction.

So long as English people save money so long can they have overproduction. This overproduction they will try to unload outside, and in order to unload will cut prices. If England does not get rid of the overproduction it will cause hard times at home and so bring on lower prices. Not only must England try to unload overproduction, but she must try and keep Germany and others from unloading on the English market. The only way to do this is to cut prices.

So long as England alone indulged in the luxury of unloading overproduction on others, all was very fine, but from now on there will be several nations in the business and so spoil the business. Only the other day I saw a statement as to German and English trade in Asia, which said England was trying to neutralize German competition through Paris. All such things show how intense is to be the competition of the future. It all comes from too many nations trying to unload overproduction. Without overproduction to bother trade it would be impossible to compete. There can be no competition unless there is savings and consequent overproduction.

PROTECTION.

CHAPTER IV.

26. SPIRIT AND FREE TRADE.

A pistol is neither right nor wrong, but one can use it in a right or wrong spirit. The same can be said of the sword, machinery, free trade, protection, etc. When free trade advocates argue that free trade is right, it does not mean any more than arguing that pistols, etc., are right. The real determining point is, taking England as the champion of free trade, whether England uses free trade in a right spirit or not. If England uses free trade to get the better of others, then free trade is wrong in the English sense of the word.

27. ONE REASON FOR PROTECTION.

One reason why the United States has to protect itself is because of Europe unloading overproduction on us. If Europe wanted to exchange, Europe could not hurt United States, but wanting more than exchange, makes protection a right action in defense. United States has the right to save itself from having overproduction dumped on it and coin taken away.

With free trade for United States England could dump say 200 millions of industrial overproduction on United States each year. This would be in addition to that given to United States in exchange for wheat, etc. With the 200 millions coin received for overproduction England could buy up 200 millions of property in United States, and so in the course of twenty years,

say, United States would find that 4,000 millions of the best property in the country would be owned by England.

This is treating United States like a Peru, a Turkey, Egypt or any other semi-civilized nation. If one calls this trading in a fair spirit, then one can call free trade right. If not, then free trade is wrong.

28. As regards hurting industries, the Protectionists are right in saying free trade does so hurt. With fair exchange no hurt would follow, for Europe could exchange products with United States farmers and industrial people. The industrial class of United States would not be hurt say, by exchanging 500 millions of their products for 500 millions of European industrial products. Again, did Europe exchange 500 millions of products for 500 million United States farm products all would be fair.

But did Europe, after exchanging with the farmers, try to sell more industrial products in United States than she bought from United States, then the United States industrial class would suffer. This is just what Europe tries to do and can do under free trade.

In Europe it is the same. England can dump overproduction on France, Germany, etc., and tries to do so, which calls for protection for France, etc. Also France, etc., can find it necessary to protect against United States farm overproduction. In all cases it is protection against overproduction and not against exchange trade, for it is impossible to take money from a country by exchange. One must sell more than buy in order to make money, and nations are like individuals.

29. REMARKS.

While protection can allow a people to make their own industrial work, the size of the industrial class will depend on the tastes of the people. Are a people poor whites, the number of factories and workmen will be only enough to supply what poor whites need.

Again, protection, while it protects United States from Europe and allows us to build our shanties, also makes our cheap clothes, etc., undisturbed, does not protect one state from another. The ten North Atlantic states have been for decades treating the South and West as if the latter were Peru's. They save money and unload overproduction on the South and West. They are to-day unloading on California and causing harder times in the latter state.

Did the North Atlantic people invest 200 millions during 1886 building railroads, etc., in the South and West, they might unload 200 millions of overproduction on the South and West and so get the money back. In this way in ten years they could owe 2,000 millions of property in the South and West bought with overproduction. This is a better way to get rid of overproduction, than refuse to invest and leave the coin lie idle.

Protection tariffs will not protect one from one's own economy. It is said the German tariff is a failure. This can not be. The tariff keeps England and others from dumping in overproduction, but it does not keep the towns within Germany from dumping overproduction on each other. What overproduction Germany suffers from is its own, not other peoples. The same result is seen in United States.

If California had the power to protect, it could pro-

tect against the Yankee as well as foreigners. But California can not protect the people from their own economy. If the people of California will produce more than they consume, then they will have overproduction and nothing can protect against this. San Francisco by protection can not protect itself against its own economy.

30. HOW FREE TRADE COULD HELP.

If free trade could give United States people a taste for solid reading, fine sculpture, music, etc., besides making them dissatisfied with cheap shanties, roads, bridges, etc., again making them want finer food, clothes, etc.; while killing the desire for rotgut whisky, sloggars, harlots, gambling, etc.; then free trade could help United States.

But as it is, no more factories, workmen, etc., are wanted, and as free trade can not cause a greater demand for capital or labor, it can not create more work. So long as United States people enjoy their present style of living and see no sense in living in stone houses, building expensive roads, bridges, etc., free trade will not help, but will hurt by crushing the little industrial work United States now has.

31. A MONEY VIEW.

Protection allows a nation to circulate more coin than it could under free trade. If U. S. adopted free trade or reduces her tariff the result will be that less money will circulate in U. S. If out of 1,500 millions of money in United States to-day 600 are used for merchandise trade, should free trade cause a drop of forty per cent. in prices, then 240 millions will be

thrown from circulation, leaving but 360 out of 1,500 millions in United States in circulation.

United States gold bugs, who are also free traders, can here see what they are trying to do. Free trade can throw more money from circulation than the silver in the United States amounts to. So to demonetize silver and adopt free trade at the same time will cause opposite effects, or what the gold bugs gain by one will be neutralized by the other. Also, throwing of money from circulation will reduce interest, which again will hurt gold bugs and free traders.

Reduce the value of all merchandise sold in United States by forty per cent., and freights will come down forty per cent. A greater bulk will not be handled for the style of the people sets the limit to bulk. If freights are not lowered it will destroy the power of the Atlantic States selling out West. So in order to allow the manufactures, etc., in the East to sell out West, the railroads must lower freights with fall of prices. If not, the West will be protected by high freights and can do its own producing.

If railroads drew their earnings from the trade in real estate, stocks, bonds, etc., they need not fear a reduction in trade prices. But as they draw their income from merchandise trade, a fall in prices means a fall in freights and earnings of all kinds. United States railroads earn a large interest in many cases, because the tariff allows of a high price being paid for freight. Let the tariff be wiped out and lower interest must result as prices are almost sure to fall.

Not only freights but passenger fares must come down, for 95 out of each 100 incomes depend on the same foundation, the railroad incomes do and people

with reduced incomes can not pay the fares of to-day.

If piling up money in banks, reducing rents, interest, prices, freights, etc., will not hurt capitalists, then free trade is all right. If they do, then it is all wrong. Capitalists will find that United States is not the same country with prices forty per cent. or perhaps one hundred per cent. lower.

SILVER QUESTION.

CHAPTER V.

32. THE ASIAN OUTLET FOR SILVER.

Lately I saw it stated that if European capitalists could succeed in loaning China 200 millions of coin, that it would enable Germany to get rid of her surplus silver, while making a market for United States silver.

This view is based on the idea that Chinese consume silver as if it were rice, or in some way get rid of it, which, as I see, is a wrong idea. If the Chinese got 200 millions of silver, it would go into circulation in China, and could be taken from circulation by unloading overproduction on China. For this reason I do not believe China could keep 200 millions of silver any easier than Mexico can.

I believe Europe could lend China 50 millions of silver in 1886, and were it circulated at once in China, I believe it would be all back in Europe by 1888 if not before. Not only this, but that does China to-day circulate 500 millions, a drop in prices say of 20 per cent. will allow Europe to reduce the 500 millions to 400 millions.

So if China has in 1886 500 millions of silver, and

200 million is loaned her in 1886, then with a drop in prices of 20 per cent., Europe and United States would find that by 1890, that instead of getting rid of silver they would have more silver on their hands than ever. The same rule hold goods for all silver using nations.

This talk, therefore, of silver being absorbed by Asia, one can see, I look on as nonsense. If Bismarck wants to get rid of silver, German traders should not unload overproduction on silver nations and bring silver into Germany. England should do the same. But so long as European traders keep unloading overproduction on Asia for silver, then so long will silver be found in quantity in Europe.

33. One result of reducing the value of silver can be that it may hurt the power of economic nations as regards their power to take overproduction. Has England, say, been in the habit of unloading 100 millions of overproduction yearly on silver nations, then let the value of silver fall one-third, and it is equivalent to reducing the outlet for overproduction one-third. Taking the world as a whole, the rise in the value of gold may neutralize the fall in silver can the rise in gold be maintained. If not, then cheapening of silver can reduce the power of mining to take overproduction.

34. SILVER AND TRADE.

France can sell England 50 millions of product yearly, taking silver therefor, which silver France can use to buy 50 millions of goods from British India. England can get the 50 millions back again by selling to India. In this way 50 millions circulate among three nations. It is as good for France as if she sold to India direct.

In this way the United States can buy from South America or Asia. United States can sell England wheat for silver and buy in silver using nations.

Here again one sees how overproduction can hurt. England can get both silver and goods from India, and so if France and United States take silver, England loses the chance to sell India goods. Does England give silver for wheat, etc., then she can not give merchandise. By using silver England hurts her exchange trade in goods bought in Asia, Africa, etc. So the silver or coin received by overproduction can hurt England as a commercial nation.

Did Europe and United States demonetize silver and still unload overproduction on the rest of the world, then they must take silver for the overproduction. This would always give a large stock of silver in Europe and United States. This silver would be used to buy in the silver world, leaving within the gold world large amounts of unsalable Asian and other goods. This is what hurts England to-day, it being that France and others can take silver instead of Asian, etc., goods. England can not to-day dispose of the imports of silver and the imports of other goods. Were there no imports of silver, then England could get rid of Asian and other goods in return for French, German, United States, etc., products.

The financiers act against trade when they try to do away with silver. So long as an English trader can sell outside for silver he is going to do so, and he will bring the silver to England. This silver he can use to buy French or other goods, and these latter nations can use it to buy in silver using countries. So in spite.

of all financiers can do, silver can come to Europe, or be used in trade.

The only way to keep silver out of Europe and United States will be to send it to Asia, South America, etc., and refuse to sell overproduction for it. Also leave the silver output of such countries as Mexico remain in Mexico, adding to it some of the silver output of Europe and United States. By doing this Europe and United States will not be bothered with silver. All this means carry on only a merchandise trade with silver nations. Of course it will also mean more overproduction laying on the hands of economic people, causing harder times, etc..

Financiers are cranky. Were I a trader I could sell wheat in England, take silver and buy from traders in Germany in spite of German gold laws, or anywhere else. What does a genuine trader care what financiers fool over. The only ones who are hurt are the peddlers who do not trade. But the gigantic trading houses of the world can use silver even if gold is used for local circulation. Let this silver agitation keep on and a crop of traders will grow up equal to the occasion. The whole world must demonetize silver or it can be used by traders who know their business.

35. WHY SILVER IS CHEAP.

Do 3,000 millions circulate outside Western Europe and United States to-day, then 4,000 millions may have circulated outside in 1880. The fall in prices since 1880 has allowed the economic nations to unload overproduction and take 1,000 millions of silver from the outsiders.

To this 1,000 millions must be added the silver mine

output since 1880, besides all the surplus silver held in Europe from before 1880. In all, perhaps, there are near 2,000 millions of silver idle in the world, and where European and United States people can control it. Again, do prices fall from 1886 on, then no more silver will go into circulation, but more be taken from circulation. Also the mining output will be on the world's hands.

It will now be seen why United States, coining 24 millions a year, does not raise prices. It does not take much of a drop to throw 24 millions from circulation in Asia, etc., besides with prices falling, no new silver goes into circulation. This, with the fact that Europe favors gold, makes silver cheap. So long as there is plenty of idle silver in the world it can be cheap. No more silver going into circulation, but some always going out, leaves the entire silver output of the world unused. United States could coin equal to silver mine output yearly, and yet falling prices will add to the idle silver in the world.

Did prices go up, then the silver using world would need more coin for circulation, but prices are not likely to go up under the competition of to-day. At least to such an extent as will absorb permanently the idle silver.

36. REMARKS ON SILVER.

If Europe and United States demonetize silver, from reasons given, this will not drive silver from trade. All the trade with the silver world will yet go on. English, German and other traders will still dump overproduction on the silver world taking silver, and this silver can be used by traders. For example: Did one sell a

cargo in Europe, and then want to buy from silver nations, one would take silver. One may be able to buy Asian, etc., goods in Europe, but if it paid to take silver and buy in Asia, etc., oneself, then one would take silver. In trade silver is all right. Gold is needed to speculate in stocks, bonds, etc., but silver will do for trade, so financiers need not be noticed so much.

If United States adopts the silver standard Europe can have all the gold. But Europe will have no use for it. To-day Europe cannot circulate what gold she has got, so the addition of more gold may result in cheapening gold. Speculators may be able to use more gold, but trade cannot, and if Europe had to take the United States gold, the chances are that gold would cheapen. Therefore, I can see no harm in the United States adopting the silver standard, for the same causes that cheapen silver can cheapen gold.

The chief trouble is that the prices of merchandise are too low for the gold and silver coin in the world. Do what the financiers will they cannot find use for all the coin.

I do not believe United States adopting the silver standard will make silver dearer, because more will be used, for at the most United States may not use one-third of the idle silver to-day at European command. More silver can be taken from Asia, etc., by dropping prices of merchandise 10 per cent. than United States can use. Still I am in favor of United States adopting the silver standard.

Let prices of merchandise fall from 1886 on and gold will be thrown from circulation as well as silver. Even to-day more gold may be idle than silver. All Europe is full of idle gold, so are the banks of United States.

A cut in prices will add to this surplus gold. So the same causes work on both metals.

The only way to put gold in circulation is to raise prices. This will also put silver into circulation in the silver nations. If silver is in more demand than gold (as it may be if United States is a silver nation), then, of course, silver will get dearer.

It has been proposed to float silver certificates on bullion deposited in the Treasury. This will not help gold bugs, for the certificates will displace gold or gold paper. If, at present prices, only 600 millions are wanted by trade, then if 600 millions of silver certificates are used, no gold, national paper, etc., can be circulated, but must lie idle in banks and being used only for real estate, stock, bond, etc., dealing. Also, it will be so plenty as to bring interest down to almost nothing.

As regards the idea that United States can coin unlimited silver and this silver be used in trade, that it will not drive gold from the country, I say this, that if it does not drive gold from the country it will drive it from trade circulation. The gold can lay in banks or hoard, for if 600 millions of money is all that is needed for trade, then with 600 millions of silver and an equal amount of other money, one or the other must be idle. Half of each can lie idle, but no more than 600 millions can be used.

If more than 600 millions is tried to be circulated the chances are that prices will go up, and Europe will unload overproduction on United States. So the tariff must be run up if more than 600 millions of money is wanted in circulation. Only so much money can be used at present prices, and if United States has more,

then the surplus cannot be used and kept in the country without raising the tariff.

As regards whether money in circulation depends on population or business done, I will say that the farm class uses no money of its own. The town class, especially the factor and trader class, use the money. If the farm class should double in numbers in the United States, and the town class remain stationary, then United States would not need more money than she needs to-day. Using Russia to explain, I can say, that if the town class of Russia doubles, then Russia would need twice as much money to sustain prices. But does the town class shrink then Russia needs not as much money as to-day. The farm class does not count, for when two persons are trading only one needs money to assist in the exchanging, It is not necessary for both to have money, only one side. The trade between farmers and townsmen is the same, only one side needing money, which actually takes place in the United States to-day. (These remarks refer entirely to money in circulation and not to idle money.) Therefore increase of population has nothing to do with more money being needed, unless the town class increases also. Again, with a stationary population and increasing town population, more money will be needed. So, without increase of population, a country may yet need more money to sustain prices.

CHINESE.

CHAPTER VI.

37. LOW WAGES.

In order to have low wages the upper class in a coun-

try should keep as little money as possible within their country. If Californians say, want low wages, then they should not circulate much money. Does the upper class wish to have wages at \$1.00 per day, then they should not circulate much over \$10 per capita. All above this should be kept out of the State.

The wheat, fruit, wine, etc., producers; also the manufacturers of California, can have low wages in the State by simply refusing to bring in money from the outside and circulating it in the State. If, however, they keep bringing coin into the State wages cannot remain low.

38. CHINESE AND LOW WAGES.

The upper class of California in the past have made a practice of putting money made outside the State, also that taken from mines, into circulation within the State. This caused wages to go up, and, in order to reduce the wages, the upper class hired Chinese. The Chinese reduced wages by sending the coin to China as fast as it was brought into the State.

The English sell a great deal of overproduction, and did they act like Yankees, bringing home the coin received from overproduction it would inflate wage. Then did they hire Chinese to send the coin out of England as fast as it came in, so keeping the volume of circulating medium always the same, one can see that the bringing into England of coin would not raise wages. This is what Chinese are used for in California.

Any one can see how idiotic the upper classes of California have acted. They did not know how to act with overproduction money, so brought it home to use it for

gambling in stocks, real estate, etc. They brought it into the State instead of buying outside with it. This, of course, raised wages, so to neutralize the natural results of their ignorance they brought in Chinese and gave the coin to them.

During 1886 California may export 30 millions more than she imports, which means that she unloads 30 millions overproduction. Without Chinese, if the coin received for overproduction was brought into the State and circulated, it would cause wages to go up so high as to destroy California's power to unload. With Chinese no such a result can happen, as the Chinese will send 30 millions to China, if necessary, and so keep wages down.

39. REMARKS.

Had the English upper class done as the California upper class has done, one can see that England would not own as much property outside to-day. It is because the English have invested their overproduction coin outside England, buying up property, bonds, etc., or building railroads, opening mines, etc., all over the world, that they have gained by economy. The English are not local minded like Yankees, but look outside England once in a while, which is to their gain.

The Yankee method of bringing home coin made outside, means to lose the profits of overproduction. Last year United States made 165 millions by overproduction. If 165 millions of United States securities now held by Europeans are bought, then United States gains, but are 165 millions of coin brought into the country there will be no gain. Of course it can be used every time to buy outside if it is not circulated,

but if circulated it will inflate prices and the Europeans will unload on the United States, so getting it back. So one can see that the proper way is to use it outside and never circulate it within United States.

Had California no Chinese and could sell thirty millions overproduction during 1886 one can see that thirty millions of steamships, railroads, mines, etc., could be bought outside the state, and owned by Californians. If this could be kept up until the year 1900, then California people would own 450 millions of outside property, which they will not own are Chinese given the 450 millions.

San Francisco is like the state and can she unload an average of fifteen millions each year, can buy 225 millions of steamships, etc., by the year 1900. By bringing the coin home and giving it to Chinese San Francisco will not make by selling overproduction, but the cream of economy will be given to Chinese.

40. MEXICO AND CHINESE.

It is said Mexico wants Chinese. If Mexico wants them Mexico must furnish coin to pay them and this coin the chances are will come from outside. The mining output of Mexico is already used in certain trade channels and so will not be able to be used to pay Chinese, in which case Mexico must get coin by unloading outside. It would be a pretty sight if in the near future Mexico would be found to be treating United States as the Sandwich islanders do to-day, that is using our country as a dumping ground for Chinese overproduction so as to get coin for Chinese to send to China.

The Sandwich Islands unload on the United States for coin, which coin goes to China and Europe. What

goes to China can come into the English people's hands in return for cottons, opium, etc., and be used to buy wheat, etc., from United States. The same could be done with money going to China through Mexico. Whether such a circulation of money would hurt the United States or not, I leave the reader to judge.

41. The way the Chinese get their work in on San Francisco is by selling on the San Francisco market, and taking coin from circulation. This forces the whites to sell outside for coin in order to replace that taken by Chinese. This is exactly the position England is in, do the French, Germans, etc., unload on the English market, taking away coin from inside England as fast as the English bring it in.

The whites in San Francisco make quartz mills, etc., and sell them outside for coin, which coin they give to Chinese for boots, cigars, etc., also for services as cooks, servants, laundry work, etc. The millions made by selling in mining camps goes to Chinese for boots, etc. As I see it, there is no sense in this selling quartz mills, etc., for coin to buy Chinese boots, etc. Why not make the boots, etc., ourselves, and not be running all over the coast trying to sell quartz mills? If the only object in selling outside is to get coin for boots, etc., the whites had better give quartz mill making up. It may sound better to say that San Francisco sells outside, but it is not sense. The English may sell outside, but they first secure their home market. Without the home market within their grip the English would not make by selling outside.

Again, this depending on outside sales for our boots, etc., make us liable to be hurt by Eastern competition.

Suppose San Francisco depended on Nevada for five millions each year, in order to buy of Chinese, and Easterners came into Nevada cutting down this five to three millions, would not San Francisco be hurt? The same do we depend on the Sacramento or San Joaquin farmers for coin to pay Chinese. Our trade can be spoiled outside, and therefore we should depend on the outside trade as little as possible.

No people can stand this unloading on the home market and prosper. The English are hurt to-day by it. So long as England had the power to unload on others and hold her own home market, free trade, economy, etc., were splendid things. But to-day England, as a dumping ground for United States, France, Germany, etc., rather knocks the beauty out of free trade and economy. Unless England can keep herself from being made a dumping ground it will not be long before her wealth will disappear. Englishmen may owe United States securities gained by dumping on United States in the past, which United States by dumping on England can now win back. The same can be done by France, Germany, etc. So in a short time the English can lose much that they have gained in the past. All this should be a warning to San Francisco people.

42. CALIFORNIA WITHOUT CHINESE.

The Chinese to-day get equal to all the outside work. Does the State sell 30 millions more than she buys during 1886, the chances are that the Chinese will get equal to 30 millions of work. Did California have no Chinese and carried on a balanced trade with the world, besides not having a gold or silver mine in or near it,

the white workers would get as much work as to-day. They would have all the work their taste creates, which is all they have to-day.

The Chinese really do not rob the whites of any of their own work, that is, work caused by white consumption in California. It is true the Chinese make shoes, etc., for white people in the State, yet if they did not the whites could not make quartz mills, etc., while acting as they do to-day. All the Chinese do is to do work enough so as to take away the coin received by sales of overproduction to mining camps or outsiders.

The outside work California now does cannot be done by whites were there no Chinese in the State, unless the whites are willing to work for Chinese pay. This means, that they also must not bring coin within the State and try to circulate it. The bringing into California of 20 millions of coin and circulating it would end all selling of overproduction outside. So it may be seen that did California send all its Chinese away, then the coin received from one year's overproduction will end all the outside work.

With San Francisco it is the same as the State. The Chinese in the city now sell to the poor whites in the country. San Francisco workmen should remember that the farmers in the country are a cheap lot taking them together, and will not pay a decent price for products if they can help it. So if San Francisco drives out its Chinese the whites must be content with the work they now have, for they cannot take the Chinese work unless it be at Chinese pay.

For reasons just given it will be seen I can not say that much has been lost or will be lost by hiring Chi-

nese, for the people could have in the past and can in the future destroy the power to sell overproduction by bringing into the State coin and circulating it. The driving out of Chinese can be followed by a rise in wage sufficient to destroy the power to unload.

Still keeping Chinese in the State does no good but forces the whites to unload outside. The State would be better without them and carrying on a balanced trade. As it is this is all the whites do, for the Chinese get all the benefit from more than a balanced trade. The Chinese are a living witness of the California white's ignorance and habit of bringing coin into the State, instead of buying outside with it.

43. EXPELLING CHINESE.

Some time back the people of Eureka expelled their Chinese from the town. Supposing the Chinese to have numbered 300, their expulsion would give work say to 300 whites, who by their expenditure may give work to 200 more whites. So one can see that a gain in number of workers can follow the expulsion of Chinese from any interior town.

Some say the town saves 100,000 by the change, this being the sum the Chinese sent away each year. This is not so, for the 500 new white workers cause the town to consume more and so the 100,000 go to buy more from outsiders. The town gains 100,000 of merchandise.

The expelled Chinese may even get the 100,000 coin by unloading on Eureka, from places outside, or some other Chinese can. California Chinese lovers can unload on Eureka. The same can take place if all the smaller towns in the State expell their Chinese,

the Chinese then coming to San Francisco and unloading on the towns. Still the towns will gain by it, for it is better that the Chinese work for 500 whites in Eureka say, then elbow the 500 whites out of a job. If a Chinese lover is forced to discharge 100 Chinese and take 100 whites, even do the Chinese then work for the 100 whites, it is better than before, for 100 whites get a job.

Some say San Francisco does not want the expelled Chinese and can lose by having them come to the city. This is not so, for the Chinese will work for outsiders, and if driven from San Francisco the city can not get the work. San Francisco will not lose while the smaller towns will gain. If San Francisco also expelled its Chinese, then the Europeans and Easterners could unload on the State, taking the place of the Chinese.

Some will say that the fruit, etc., interests are built up by Chinese and expelling will destroy this business. I say let it spoil, for if California cannot sell 20 millions of fruit, wine, etc., outside, without giving 20 millions to Chinese, it ought to spoil. The State can not be hurt much by losing the power to unload fruit, etc., on others and giving the coin to Chinese.

So it will be seen that while San Francisco will not lose, even did all the expelled Chinese come to the city, that the interior can gain. Whites will take the place of Chinese outside, and their consumption can allow of the Chinese in the city unloading on the interior. In this way the coin will leave the State, which is necessary to avoid inflation, etc.

CONSUMPTION.

CHAPTER VII.

44. ENGLISH IMPORTS.

The English import some 400 millions more than they export. This may to some seem not in keeping with England unloading overproduction, yet as I see it England can unload all the same.

If an English trader takes 100,000 worth of goods to Mexico, by the time freight, duties, etc., are paid, also the profits of trade added, the goods may be worth 200,000, at which figure I will suppose the trader sells. Now, if the trader then buys 200,000 worth of Mexican goods, by the time the goods get to England, they can be worth 300,000. If the trader has made exorbitant profits—as often is the case in such trading—the value of the goods may be as high as 400,000 when they enter England.

Here one has exports 100,000, imports 300 or 400,000. One can see that the freight both ways on sea, the land freights, the Mexican custom dues, taxes, etc., and the traders' profits, are all added to the exports from England. As the English do this kind of trading all over the world, one can see that it is easy for England to make 400 millions more imports by selling but a portion of her exports, and that another portion of her exports can be overproduction. For example: Suppose San Francisco could do the same. A trader could take 100,000 worth of goods to Mexico say, sell and buy a return cargo, which may be worth 400,000 when he gets to San Francisco. The same trader can also take another 100,000 worth of goods

and sell it for 200,000 coin, bringing the coin to San Francisco. The exports then will be 200,000 merchandise, with imports equal to 400,000 merchandise, besides there would be imports of 200,000 coin from what can be overproduction.

45. CONSUMPTION AND TRADE.

In order that England be able to trade as I have noted, England must be a great consumer. If the English trader was not able to sell Mexican, Asian and other products in England, he could not buy a return cargo. In above case, did he sell 100,000 of English products for 200,000 outside, he could not make the profits on the return cargo, but could only bring to England the coin. Did he bring home coin, then England may export more than import, yet what good does it do her? It can only inflate, and such selling is only dollar hunting.

The difference between dollar hunting and trading one can now see. If the United States sells in Mexico for coin and packs home the coin, it is dollar hunting. If Mexican goods are taken, it is trading. By taking goods United States will import more than export, still it means more than simply hunting dollars. By hunting dollars the Yankee can make himself a curse.

The Yankee hunted dollars with his hog, in France and Germany. He did not trade, for he did not buy of Germany and France as much as he sold. The same with Yankee dealings with England of late. When France and Germany prohibited our hog, they were but trying to stop Yankee dollar hunting, which is both right and proper.

The worst of it is, dollar hunting does the Yankee no good, for the coin simply inflates prices or lays idle. To-day there is plenty idle coin, and if during 1886 a 100 millions of coin are brought into the country it will only be piled up in banks, if not used to inflate. It does United States no good and should be invested outside.

Some may think England can sell products brought into England from Asia say, to some of the other economic nations and so not consume them herself. This is true, but England must consume what she gets in exchange. The Asian products may be given to United States for wheat and England consume the wheat, which is equivalent to England consuming the Asian goods. It all ends in England's capacity for consuming.

Did the English reduce their consumption to a shanty, hog, hominy, etc. living, the power of England as a trader would decay. The traders who sell English goods would not be sure of being able to dispose of Asian, Mexican and other goods, so would bring home coin. San Francisco traders are in this latter position. They have a cheap people in California and so cannot dispose of much Mexican, Asian or other products. A trader's return cargo is limited to what California can consume. As most Californians enjoy gambling, whisky, etc., more than a fine or large quantity of foreign goods, of course a San Francisco trader cannot act like an English trader.

All San Francisco can do with Mexico is to do a little trading and the rest hunting dollars for Chinamen. We can unload on Mexico perhaps some overproduction and give the coin to Chinese. But we cannot buy

more from Mexico than we can consume. The same rule holds good for United States.

The consumption of a town or country sets its trade. It must be able to consume much if it wants to trade much. If, by economy, it reduces its consumption, of course it reduces its trade. A trader can only bring back merchandise or coin. The latter does no good unless it is used outside, which is equivalent to bringing back no coin. Economy is only good to give a people a dog's living, and will degrade all who practice it.

Christ may have said this to the Jews, for no doubt they degraded themselves by economy and dollar hunting. When Christ treated the money changers of Jerusalem with contempt, he was right. It is exceedingly difficult to tell exactly what Christ did do, but his views on usury, etc., all make one believe He saw clearly what was to blame ; but was not understood by the Jews or even his disciples as regards his views on trade, etc.'

46. CITIES AND FARMERS.

If San Francisco buys from the farmers 30 millions of farm products yearly, then San Francisco can sell the farmers 30 millions of products and so get the money back. This trade will not make any change in wages, etc., but be natural and right. But does San Francisco try to sell 40 millions, then 10 millions of coin must be taken, because only 30 millions of farm products are bought. This 10 millions can do the city no good, unless the city spends it outside. If not, then it will inflate wage or must be given to Chinese.

So one can see that consumption sets the trade of a

city with the farm class. No matter how much the farmers of California sell, the towns in the State cannot trade for more than they buy. The towns can sell overproduction and give the coin to Chinese, but this is not trade. So San Francisco is blocked completely from gaining by reason of fruit, wine, etc., sales by farmers of California—by her consumption. Neither can San Francisco do more trading with the East or foreign countries than her consumption allows.

47. It is said that England can get along without the United States, as she can buy wheat, cotton, etc., from elsewhere. This may be true, but there is another side to the question, which I will show :

India has no use for South American products, so if England has been in the habit of sending manufactures to South America and taking in exchange products, which were then exchanged for United States wheat, cotton, etc., one can see that England must stop selling manufactures to South America if she buys no wheat, cotton, etc., from United States.

What good will it do England to sell manufactures to Asia, Africa, Mexico, Cuba, etc., for products she now exchanges for wheat in United States, if she does not want to exchange any longer? None. England is not a Wall Street where gamblers congregate, but is a trading country, and when she gives up trading with the United States she must give up trading with Asia, Africa, etc., as regards what Asian, African, etc., products the United States now buy with her wheat, etc., from England.

If England does not buy of Germany, France, etc., then England cannot exchange many products she now

gets with her manufactures in Asia, Africa, etc. The English consume only a portion of the Asian, etc., products they get with their manufactures, and depend on exchanging the rest. This they cannot do if they refuse to trade with others.

If England exchanges cottons, etc., with Asia for Asian products, and then exchanges the latter for United States wheat, it is as good as if England sold her manufactures to the United States. Let England refuse to do this trading and England must let the Asian products lay in Asia. The United States can then go to Asia and get them herself.

The English, like other people, can destroy themselves. If England buys wheat from India, Egypt, etc., she can cripple trade now depending on the United States. The consumption of United States is thus an important factor in English trade. India, Egypt, etc., do not consume what United States consumes. All the economic nations are in one boat, and can only hurt themselves by hurting the others. They grew up together, and in order to keep things as they are must act together.

One can now see how England depends on United States and others. The English do much of their exchanging among Asians, Africans, etc., because they can dispose of what they get in Asia, etc., to the United States and others, and so cannot be too independent without paying for it. The consumption of United States therefore has something to do with England's trade.

48. CONSUMPTION AND LABOR.

For reasons given the American workmen cannot

expect to do more labor than what is created by the demand within United States, and this demand will depend upon the style the people live in. If the workingmen themselves cut down the consumption, they reduce the demand for labor and help to throw themselves out of a job.

For industrial purposes the workmen of every town can consider themselves as separate from the rest of the people, for this they are, as the town consumption sets its trade. San Francisco can be surrounded by gold miners, also fruit, wine, etc., producers, all with plenty of coin, yet San Francisco is not likely to do more work than her consumption demands.

If the San Francisco capitalists and workmen had any sense they could unload overproduction on the outside, and with the coin received, buy up property outside the city. In this way they could imitate England, and so, perhaps, get more work than they do to-day. But such a dumping cannot be kept up forever, and again is not likely to take place, for San Francisco people love to pack coin home for gambling in real estate, stocks, etc.; also, the workmen are always wanting more wage.

The workmen of San Francisco or any other town, by wanting too much money wage, can easily cause the trade of a city to be reduced to the consumption of a city. So we can see how the tendency of things is always towards forcing a people back on their own consumption.

The workmen of San Francisco, therefore, can only depend on the consumption of the city for work. Do the whites live in shanties, wearing but the cheapest clothes, eating but the cheapest food, etc., then, of

course, only cheap scrub work will be demanded; also, there will not be much of it. The cheap food makes San Francisco buy little from farmers, and so the farmers can buy little from the city, which gives little work for the city workers. In every way the workman will find there is little work.

If the people lived in better style, demanding stone houses, fine food, etc., of course there would be more work, also, it would be of a finer quality. The city would buy more from and so be able to sell more to the farmers, without inflating prices in the city.

Increase of population will not help the working people, for every 1,000 addition brings 400 more workers and only 200 jobs. The 1,000 addition can be as scrubby as those now in the city, and so more workers than jobs come with them.

The workingmen, also, can see that economy gives less work and the buying of cheap things gives cheap work; and that the reason they loaf to-day is because the demand is small. Booms are generally made by a sudden demand for railroads, etc., more than by a demand for more shelter, food, clothes, etc.

FARMERS.

CHAPTER VIII.

49. FARMERS' INCOME.

The farm class is not the civilizing class, and creates nothing. Were all farmers there would be no need of money, trading, capital, etc., as we have it to-day. Everything depends on the towns or industrial class.

The farmers do not produce their own income, it

comes from the towns. Let the towns disappear and the farmers' market will disappear. Reduce the towns to nothing and the farmer's income will go to nothing. The farmer's income, as we know it, will vanish. How great a change the size and number of towns make in the farmers' incomes I will explain.

Taking males to go by, I will first suppose that 800 of each 1,000 able-bodied males in a nation are farmers; the balance, 200 in number, I will call townsmen. This gives four farmers to one townsman and family. At prices ruling in United States to-day, the farmers do not get over 200 per townsman per year. At 200 per townsman, and four farmers to each townsman, the farmers cannot average over 50 each as income per year.

When 500 are farmers and 500 townsmen per each 1,000 males, there will be one farmer to one townsman. This will make each farmer average 200 income per year.

When 200 are farmers and 800 townsmen, the farmers averaging four customers each can average 800 income per year.

One can now see how the towns influence the farmer's wage. In the United States there are about 500 farmers to 500 townsmen, so each farmer averages one customer. A glance at the United States census of 1880 will show that the farmers could not have sold over 1,400 or 1,500 millions worth of products during the census year. They may have produced more, but they and their animals consumed much of the product. (I include sales of cotton, tobacco, etc., in above sales.)

As there were over 7,000,000 males engaged in

farming, any one can see that they did not average over 200 per year, and this in the boom year of 1879-80, when prices were higher than to-day.

In Russia there are 800 farmers to 200 others, and the Russian prices are not as large as those of United States. Even if they were, and each townsman was good for 200 per year, there being four farmers per townsman, they would not average over 50 each. This would make the Russian about four times worse off than the American farmer, did the Russian farmers do no industrial work for themselves.

From the 200 received by the average American farmer must be paid taxes, repairs, farm expenses, etc. Supposing these to take \$50 or \$100, one can see how little the farmer has left for buying town products, paying doctor's bills, etc. A town laborer with 350 per year can do as well as the average farmer.

50. HENRY GEORGE.

Henry George holds: "That if some of the idle men now in cities and towns were producing wealth from the land, that they would not only be employing themselves but would be employing mechanics in the cities," etc.

This idea is wrong, for there is no wealth produced from land, it comes from the towns. If there were no town people using money, the farmers could not sell to them, and so would have no income or wealth as we know these terms to-day. They could exist as savages exist, but it would not be the existence of to-day.

Again, the going into the farm class of town people would reduce the number of the farmer's customers, This would make the farmers buy less from the towns,

and thus cause more idlers in the city than there are to-day. For example: Suppose that in San Francisco there are 20,000 idlers to-day; also that the city now buys 30 millions from the farmers. Now suppose that 10,000 idlers or dependants, or 30,000 people say, leave the city and take to farming, then the first result will be that the city will buy at the rate of 27 millions from the farmers. Instead of selling 30 millions to the farmers the city will sell 27 millions, which will cause the discharge of workmen who now make three millions of products for farmers. Therefore one result will be to cause more idlers.

The farmers also will suffer, for they will sell but 27 millions, and must divide this with 10,000 new farmers. Using figures, suppose 50,000 farmers now sell the city 30,000 or 600 each. When 60,000 farmers sell 27 millions they will average but 450 each. So the going into the farm class of 10,000 idlers from San Francisco, will cause men to be discharged from work in the city, and also reduce the farmer's income from 600 to 450 each. A total trade of but 54 millions will take the place of a trade of 60 millions to-day, thus causing a loss of six millions of trade.

Apply this rule to United States, suppose 2,000,000 idle men went into the farm class from the towns. This means that the farmers will sell 400 millions less to the towns. The towns will then sell 400 millions less than to-day, and so must close down factories and discharge workmen, etc., etc.

The need of capital also vanishes with the shrinkage of the town class. Reduce the town class of United States one-half and one-half the factories must close

down. All depends on the towns, nothing on the farmer.

51. Again Henry George holds "that landlords absorb the profits coming from increase in productive power." As I see it the rise in rents is due to the fact that the town classes have increased. For example, suppose that 400 of the 800 farmers per each 1,000 males in Russia, joined the town classes, the proportion would then be 400 farmers to 600 townsmen, which is equivalent to raising the incomes from \$50 to \$300 per year. By such an increase in income no one is robbed, but it is the natural result of increase of town class.

A similar increase of farm incomes would take place in United States, were the towns to increase at the expense of the farm-class. Let us say the farm class was reduced to 250 per each 1,000 males. This would give three customers to each farmer, instead of one as to-day. Each customer need give no more than to-day, yet the farmers will average say 600 where they now average 200.

52. Large farms are also a natural result of civilization. Reduce the farm class one half in United States or Russia, and the size of the farms will double. Russia will never be more civilized unless this is done. It is the natural result of progress.

Of course some say Rome decayed because of large farms, yet these are wrong. Both Christ and Tacitus lived when Rome was decaying; and both noted a decay in spirit. Rome decayed because her spirit rotted, just as the Jews lost power as their spirit decayed. Large farms would not hurt in the year 1886, and they

would not hurt in the year 1. What can make them hurt is to be used in a wrong spirit, yet small farms can hurt if used in a wrong spirit as well as large ones.

My opinion of a historian is this, that a man who can not tell the cause of hard times when it is under his very nose, will be a very poor judge of the cause of hard times in the year 1. I sooner take the opinion of Christ or Tacitus who were there, than the opinion of a man who can not read his own times correct. Christ read right, and his opinion will fit 1886 as well as the year 33. Too much dog in the ancient killed him. Too much dog in the modern causes hard times. Large farms handled in the right spirit can hurt no one, while with rotten spirits any kind of farm can hurt. One must blame the spirit not the farm.

53. Mr. George also notes "that miners did not go to California because shoemakers, etc., were there, but that the trades followed the mines, etc. Also that it is the development of the country that makes the city grow."

As I see it the gold miner hunted gold, for the reason that towns in the East, Europe, or the world over gave gold a value. Were there no towns, gold would have had little or no value. So it was the shoemakers, etc., in other parts of the world that employed the miner. As regards the country creating cities, I do not believe the free cities of Germany in the middle ages were caused to grow by the serfs of their day, but were caused by men who wanted more than a serf's living. 50,000 people can go into a new country and start cities and farms together. Both go together

more than one depends on the other. However, to build cities of any beauty, one must have fine mechanics, etc., and these are the product of a high taste.

54. Give Henry George the island of New Zealand, also give him millions of laborers, then could he build up a fine civilization? No. With laborers he can not build fine stone houses, etc., neither can he do anything but scrub work. He could but let his laborers swarm over the island as poor whites.

If Mr. George wants better than a laborer can do he must get better men, or educate his laborers. The former he can do by giving them more than laborers' pay; the latter he will hardly be able to do, for the reason laborers, as a rule, will not learn under any circumstances. The tastes of a laborer are coarse and he sees no sense in fine houses, etc., and so he will not learn to make them. A coarse tasting man never makes a fine mechanic. At the most one can but make a scrub of him.

With fine mechanics Henry George can do anything. With these, the finest of buildings, etc., also merchandise can be had; with scrub mechanics a scrub civilization can be made. So all depends on the men not on the land.

San Francisco to-day is proof of this. The streets, sewers, houses, etc., show the taste of the people. If they wanted better they could have better, but they see no sense in building more than a shanty town. A minority are superior beings, and could one gather all of these in a town by themselves, one would find that not only do they want better, but that they have the skill, brains, etc., to satisfy their wants.

My study of workmen convinces me that the more artistic the mechanic, the finer is he in feelings, taste, etc. All go together. So if one can find men who want the finest, one also finds men who can make the finest. A laborer can suit his tastes, because he wants but scrub products, so can all the rest.

If I understand Mr. George, he tries to find a way by which the laborer can enjoy the finer products. This he never will find, for the laborers do not want finer; also, if given land, would not make finer. They will live like poor whites, as all over United States one can see them. They sooner drink whisky, etc., than work about their farm; also, will not grow variety of food for their own table; again, if given better food, will spoil it by slovenly cooking.

55. FREE TRADE AND FARM CLASS.

How foolish it is for capitalists in United States or Europe to force workmen from town in farm class, one can see. Do the town classes remain stationary in the United States, and the farm population double, not a particle more trade will result, while the farmer will be degraded. The degradation of the farmer may react on the towns, and so less capital than to-day will be needed. Capitalists are mainly a creation of civilization or growth of industrial class.

Let the farm class of California be increased by ten millions, and does the town population remain stationary, then the towns will not exchange more with the farmers than to-day. Degradation follows increase of farm class, just as civilization is the opposite.

Free trade, one can see, by destroying the industrial class, can mean degradation. Economists do not draw

a line between the farm and industrial producer, so believe that if free trade causes people to change from town to farm work, that it will not hurt. It is natural that a man with Henry George's opinion on farmers will see no harm in free trade, but, as shown, one can see that the civilized demand of a man disappears, when he turns farmer. If many farmers meant civilization, etc., then Russia would be very civilized. All will suffer by increase of farm class, whether they be farmers, capitalists, industrial workers or others.

WAGES.

CHAPTER IX.

56. MONEY AND WAGES.

In looking at wages two things must be considered, namely, that the amount of money in circulation can be influenced by tariffs, and that the money in circulation really all belongs to the town classes.

Tariffs by raising prices make more money needed to carry the prices than when there is no tariff. The United States can circulate more money by raising tariffs, and so allowing prices to go up.

Money circulates among the farm people, but it is money given them for farm products. In United States the farmers may receive an average of 100 millions a month from the towns, which money all returns or should return to the towns within reasonable time, for town products. While having the money and before returning it to the towns, the farmers use it among themselves, yet one can see it all really belongs to towns. When two persons each have merchandise to exchange only one need have money. It is not necessary that

both have money. The farm and town people are like two persons, and so money for exchange purposes only needs to be held by one.

I refer only to money in circulation, for the farmers or others can have money in hoard or bank that does not circulate.

57. CIVILIZATION AND WAGES.

When civilization is low and a people only care for coarse living, the result is that the industrial work demanded is small, and the average number of industrial workmen employed therefore few compared with a more quality people. This does not mean, however, that the towns need be so very small, for like San Francisco, a town may hold 80,000 of what could be industrial workers and not work more than 40,000 at a time. The style of living of the city requires that equal to 40,000 say must work a full year, yet over 80,000 can work and average less than 6 months work each. In this case money enough for to work 40,000 is all that is needed. If by living in better style, the city has to work the 80,000 steadily, then more money will be needed.

An island full of serfs may have a city as large as San Francisco, while having factories or capital enough to work but 20,000 workers at a time, and yet 80,000 workers can earn a poor white living by working an average of three months each. In such a case as this, I call the industrial class small, although the number of workers can by a census be made large. A city of quality people of the same size would not have more than 80,000 industrial workers, or no more than a city full of serfs, yet the 80,000 can work all the year on

quality product where with serfs only three months are averaged.

Although a quality city may work 80,000 men the year round, and a scrub city average but 20 or 40,000 working at a time, still the scrubs can circulate as much money per capita as the quality people. This the scrubs can do by raising the tariff. Circulating as much as quality people and working fewer industrial workers, of course wages can be much higher among the scrubs than among the quality people.

This is why United States with 10 per capita in circulation, could pay higher wages than England, France or Germany with the same per capita, all four nations using the same banking, etc., methods.

England employs 21,000 industrial workers to United States 7,000, so with no greater proportion of traders, also same banking methods, United States should be able to pay \$3 when England paid \$1 per day. If the farm class used money of course it would be different, but they do not.

An island full of scrubs, therefore, with a small industrial class, circulating by aid of tariffs, as much money as an island full of quality people, with an industrial and trade class three times its size, can pay three times the wages. A man can hire seven scrubs with \$21, and pay \$3 per day, as easy as hire twenty-one first class workmen and pay them \$1 per day.

The more like savages people are, the higher can be the wage, and this is why economy can raise wages. If the people of the United States would economize so that only half of the present number of industrial workers would be needed, with the same amount of coin in circulation as to-day, the wages could be twice as high.

The opposite takes place when a people live better. Let the U. S. people demand a finer quality, so as to give 14,000 industrial workers a job instead of 7,000 per each 100,000 people, and with the same coin in circulation as to-day, wages must come down. If San Francisco wished to work 80,000 industrial workers instead of 40,000, with same money as to-day, wages must come down one-half. Still any man can see 80,000 can make a finer quality than 40,000. So the people would live better on half the wages.

It will be seen that did England discharge 14,000 of each 21,000 of industrial workers, and use the money now used in paying 21,000 workers for paying 7,000, that the wages can be 200 per cent. higher. The same if Germany makes tramps of 7,000 of each 14,000 industrial workers she employs, can the remaining 7,000 have double wages.

If United States, by improving machinery, can do without 3,500 of each 7,000 industrial workers she now employs, then wages can be doubled. Any people can have high wages if they let the most of their labor tramp or waste in farm class and use all the money to work a few scrubs.

Wages are higher in the United States, when circulating the same money per capita as in England, because so many loaf in towns in United States, while a few work using all the money to pay themselves high wages.

If the English wanted to pay U. S. wages they would have to circulate say 40 or 60 per capita when U. S. circulates 20 per capita. Germany would have to circulate 40 per capita against U. S. 20. This means, of course, that the trader class should be in

same proportion in the three countries and banking, etc., the same.

By having a larger trading class, U. S. can neutralize some of the effects of small industrial class. The same by having clumsier banking system.

U. S. is something like Mexico, where the bulk of the people live in hovels, on beans and pancakes, etc., while a small upper class live in better style. The bulk of U. S. people live coarse, and a few live fine. So U. S. without protection would be more like Mexico as regards the money she could circulate, then W. Europeans.

From above notes one can see that I am trying to show that by a scrub demand, but a few industrial workers will be worked, and that as money is used by town class, the farmers not counting, that the fewer the industrial workers, the larger can be the wage. The United States to-day does not circulate any or much more money than England, and the banking, etc., systems are about the same, yet wages in U. S. are much higher than in England. This I hold is mainly due to the small size of the industrial class in U. S. Did U. S. wish to work more industrial workers at same wage it must circulate more coin or reduce wage. So the tendency of civilization being to make a larger industrial class, is to reduce wages.

REAL ESTATE.

CHAPTER X.

58. CIVILIZATION AND VALUES.

Rents are made by money in circulation just as wages are. Did United States raise the tariff so as

to double the amount of coin in circulation, then rents would double, also capital values, while much wealth would be created. Is the tariff reduced, then rents will fall and much wealth be lost.

People an island with scrubs, who need but 3,500 industrial workers to United States 7,000, yet, by tariffs, circulate the same amount of money per capita, then, as the wages will be 100 per cent. higher as in United States, rents can be 100 per cent. higher, making real estate more valuable, even though the island has but shanties on it.

People another island with quality people, who circulate the same money per capita, yet have 14,000 fine industrial workers employed, and wages will be 75 per cent. lower than among the scrubs, while real estate be 75 per cent. lower, even though the cities be built of artistically wrought stone, etc.

So an island covered with cities built of stone, can have cheaper real estate than an island with nothing but shanty cities on it. Also the scrubs, in their shanty cities, can despise the pauper paid mechanics who live in the stone cities.

Could the buildings, docks, etc., of San Francisco be changed in one night into the finest of stone buildings, etc., the city can be cheaper than to-day. San Francisco built of stone would be cheaper than San Francisco, the shanty town of to-day. The reason would be that the rents would not pay going interest on the buildings, much less on the lots, so a frightful fall in lot values can take place. The shrinkage on land values would more than equal the increased value of the stone buildings, etc.

Then let competition or free trade reduce the money

in circulation, and the value of the city would again be cheapened.

An exaggerated view of how real estate values are created in United States is, that one of ten empty lots has a shanty, say worth 500 built on it, which rents so as to bring going interest on a value of 2,500 say. As the shanty is only worth 500 the lot is called worth 2,000. The other nine empty lots alongside are then valued at 2,000, the owners arguing that if the improved property will pay interest on 2,000 lot values, their's will do the same if improved. So one has 20,000 wealth in lots created by building a 500 dollar shanty.

Had there been built a 2,000 stone building instead of a shanty rent would be the same, so only 500 would be the lot value. The ten lots would then be worth but 5,000 against 20,000 when a shanty is built. So one sees that economy in construction creates wealth.

The more economy is practiced on improvements the more wealth is created. Ten lots with a \$500 shanty on one of them would be valued at \$20,500, while the same ten lots with a stone building on one lot could be bought for \$7,000. Oh, economy, what a wealth creator you are.

Had San Francisco started in building stone buildings, this extravagance would have caused much loss of wealth. Even to-day were the shanties replaced by stone buildings, wealth would be lost. One can now see a reason why the rich property holders of San Francisco are opposed to all improvements. The scrubbier the docks, streets, sewers, buildings, etc., the wealthier is the city.

The high value in land acts as follows: Does a man come to San Francisco with 5,000 and intend to locate

he must pay about 4,000 for a lot on the outskirts of the city. This leaves him with only enough to build a shanty, and so the wealth of the city receives no hurt. Were land cheap he could buy the same lot for 1,000 say, and then spend 4,000 in building a stone building. By this 4,000 worth of labor or merchandise would be consumed against 1,000 as to-day. How workmen, etc., gain by cheap real estate one can see.

One can also see how the more like savages a people live, do they also manipulate the tariff properly, how wages, rents, real estate, etc., can be high in the cities, and how the farmers can live like poor whites. The same kind of economy as regards farm improvements can add to the wealth of a country. Also economy in railroads, bridges and other constructions allow of much water or wealth to be made. The incomes of railroads, like everything else, comes from the coin in circulation, and so the cheaper they are built the more water can be put into the stock.

How much the Europeans have lost by their extravagance in building their docks, wagon and railroads, also other constructions in expensive stone, etc., one can see. Had the Europeans acted as the upper class of San Francisco have acted, they may have been much wealthier in real estate, watered stock, etc. It all depends upon the style in which the thing is done.

In above notes I have tried to point out how the cheaper we build houses, railroads, etc., the greater will be the wealth in land. Were England to have its stone buildings, etc., replaced by the cheapest kind of wooden constructions, the land values would be increased. In United States by building scrubby and cheap and circulating a large amount of money much land

wealth has been created. Now let the people become more civilized and build better, then land will lose in value. The tendency, therefore, of civilization is to reduce value of land.

RECAPITULATION AND NOTES.

CHAPTER XI.

59. In chapter I I gave a few notes on civilization. In them I have called civilization the style we live in, which is its material form. The importance of the style we live in, one can see by the fact that consumption sets the trade of a town, state or nation. Are the people of San Francisco of poor white taste, then the size of the industrial class and the trade done by the city will be small. Are they of superior taste then the industrial class, etc., will be large.

In chapter II I have noted on overproduction. I gave the name overproduction to the merchandise saved when people save money. Money in circulation being but a representative of merchandise when it is saved means that merchandise is saved. This saving I call overproduction. Where the saved money is spent on construction of course merchandise is consumed, and no overproduction exists. This spending can be done within a city, state or nation, or outside; when in the latter case it comes under the head of foreign investments and the merchandise must be sent after it. If the city of San Francisco saves 15 millions and invests it outside then 15 millions of overproduction must be sent outside. Where the money goes must go the merchandise it represents. Also in

same chapter I gave some of the outlets past and present for the results of saving. I may not have been as clear as could be wished, but this could not be helped. One however can get a clearer idea as one goes on through the other chapters, and sees what part overproduction plays in trade.

In chapter III I have shown how competition can throw money from circulation; how if one economic nation, in order to unload on another overproduction, cuts prices, the rest must do so, thus piling up money all over the world; how this cutting allows of the economic nations taking coin from circulation the world over, which gives an outlet for overproduction; how this piling up of money acts on rents, interest, real estate, etc.

One can see that the whole cause of competition is what I call overproduction. Each economic town has more to sell than to buy, and so the towns compete in order to get rid of the overproduction. As shown further on the towns can not sell more to the farmers or non-economic peoples than they buy of them, so the competition is to unload on one another.

In chapter IV I note on Protection, where I again show how overproduction acts. Fair exchange the economic towns or nations of the world do not want. They want to unload overproduction on one another. This directly affects the towns, having no bad influence on the farm class, other than that which comes through having the towns destroyed. It is a civilized war between the various portions of what civilization has built up. Civilization has created the towns and the towns are at war among themselves. Instead of

standing together they hope to grow at the expense of one another, which is a farcical hope at its best.

That economists can see no harm in free trade, is because they can see no division between the farm and town producer. Economists do not draw a line, and without a line no reasoning can be done. One must draw a line somewhere or guess like a fool. Also one must take into account spirit. Both drawing a line and taking into account spirit, while applying all rules universally is where Christ's powerful conclusions come from.

Henry George's ideas on free trade seem based on the idea that there is no overproduction, and only exchange trade is done. Here he is fooled. By exchange trade no one can be hurt. San Francisco could not be hurt if Chinese bought 15 millions of merchandise as well as sold 15 millions. It is only when the Chinese sell more than they buy that harm is done. Not a dollar would the city lose if all outsiders wanted was to exchange. But when a Yankee town sells in San Francisco and does not buy, then is the city hurt. Again Henry George's idea that land is everything, makes him consider the industrial class unimportant.

In Chapter V. a note on the silver question, noting that the real trouble is that silver and gold are both thrown from circulation by cutting prices; that silver will always be found in Europe so long as the people unload on silver people and take coin away; that a cut in prices from now on will throw more of both metals from circulation while keeping the mining output from being used, etc.

In Chapter VI, I note on the Chinese in California, that Chinese really do not do more work than

what the state does for others; that were the Chinese expelled the whites could not get their work, while wages would advance; that to keep the Chinese work the whites must work for Chinese pay, etc.

It may seem to workmen queer that they cannot have the Chinese work, but they must remember that the city does not create the demand. If the whites make boots, etc., then the foundrymen, who make quartz mills, etc., can not live as well on their present wages. So their wages must go up do the prices of shoes, etc., go up. This will give the Easterner the quartz mill trade. The mining people make the demand and they will buy of Easterners if San Francisco does not sell as cheap. So the whites must not sell boots, etc., any higher than Chinese do, which means work for Chinese pay. If the price of boots, etc., go up and foundry wages remain as they are, then the foundrymen will suffer. If San Francisco wants to sell outside, she must sell as cheap as others do.

The people of the interior towns are mainly commercial people. They can stand in between a Yankee factory and the farmer, as well as between a San Francisco factory and the farmer. So if San Francisco will not sell as cheap, they will buy from the East. This is why, by expelling Chinese, they can gain more than San Francisco can. A trading town and a factory town are different. The Chinese to-day sell in Sacramento say. Let the Sacramento and San Francisco people both expel Chinese, and Sacramento will not be so generous as to pay San Francisco more for boots, etc., when the Easterner will sell them at the Chinese price of to-day. Here it is, the people outside of San Francisco will not buy if the price goes up, because of

the city hiring whites. So one can see that San Francisco cannot get the outsiders to pay more when the Easterner will sell cheaper than San Francisco.

Workingmen therefore must remember that if they do not work for Chinese wage, that the East can sell cheaper. This is one of the beauties of free trade. Did United States adopt free trade, the English, Germans, etc., would help the Yankees sell cheaper than San Francisco can in the interior. All that the workmen of San Francisco can expect to do, is made what the city wants, and how they spend their wages can do much as regards what the city wants.

Do the workmen want cheap rents, then it means cheap houses. This means scrub work, dog-driving foreman, etc., with not enough to give carpenters, etc., a steady job. Do they want cheap clothes, food, etc., it means little work and scrub work at that. Do they live cheap in order to spree, gamble, bet, etc., their savings away, it means little work.

Workmen keep their own noses in the dirt, also; they often treat one another like dogs. Too much dog in the workmen will give a dog's living for the whole. To live like men the workmen must learn to act like men, not like ignorant dogs.

Let workmen save on their whisky, etc., money and buy papers, books, etc., and they will gain. So long as workmen's heads are like those of cattle so long will they act and be treated as cattle. To be reasoning beings they must learn to reason and obey a right of some kind. If a workman does not study any more than a Digger Indian, he will not know any more. The mind is the only thing that will lift men up. Not to use it means to go it mentally blind.

In chapter VII I note on consumption. These notes dispose of all editorial wonderings why San Francisco manufacturers or traders can not capture the Mexican or any other trade. The city's trade is set by its consumption. Before the railroads brought the Easterner in, the city hunted dollars with overproduction all over the coast. To-day this is ended as far as the white factories are concerned, the Chinese alone being able to hold out. Even the latter are hardly able to hold their own, also are hurt by the white factory people not being able to raise coin to buy from them. Many foundrymen, etc., who in the past received coin from outside and bought of Chinese, now loaf because the Easterner has got his work in outside.

San Francisco is being forced back on its own civilization, and as this is a cheap shanty kind of civilization of course much work can not be expected. Have the people no taste for solid books, music, etc., but only a taste for speculating, betting, etc., after they get a coarse living, then they must take the consequences. The pleasures a sheep herder or gold miner indulges in, and the kind of artists such associate with when spending a stake, are not the pleasures or artists that give work. We must act like a quality people, now that the Easterner has spoilt the place where we used to get our gambling, etc., money from, do we want good times.

In Chapter VIII. I note the position of farmers as regards the town people. Here, again, one sees how style acts. A people with little style about them will have a small industrial class and a numerous farm class. Again, one sees how idiotic it is for city editors advising men to go into the country, for the going into the

country destroys trade while degrading the farm class.

San Francisco people think that immigration will help them, that is the state filling up. This one can see is nonsense, for the consumption sets the trade. Again, the Easterner can unload on the interior towns cheaper than the San Francisco whites can. Only the Chinese in the city can compete with the Easterner.

In Chapter IX I note on wage, showing that money circulates among the town class, and that the fewer the workmen worked the higher the wage; that the more like poor whites a town people live, the larger the wage can be; that wages can be high for 80,000 workers in San Francisco, because seldom more than 40,000 are working, etc.

In Chapter X. I note on real estate, showing that the value was made by coin in circulation; that a shanty town, with same coin in circulation per capita as a rock built town, can be the wealthiest.

Were all the coin in the world circulated, then wages, rents, etc., would go up. After that any increase in town, class or civilization would have a tendency to pull down wages, etc. Financial improvements, also large mining output, may counteract this tendency, yet it will exist all the same.

MISCELLANEOUS NOTES.

CHAPTER XII.

60. The view I hold, that consumption sets the limit to trade, practically separates a city from the rest of a country. San Francisco politically is one of many cities in the United States, but in a trade sense she

stands alone. She does not depend on the farmers but on herself.

The city as it stands to-day is partly commercial, partly factory, (meaning where whites are the workers) and partly Chinese, and the question is, how much can the city suffer from competition, unloading overproduction, etc.? As regards the commercial class where they stand between the interior of the state and outsiders, little hurt may follow competition; also where they stand between Chinatown and the world. But where the trader stands between the San Francisco factory and the world, the trader can suffer when the factories suffer. The main ones therefore that can suffer are the white factories and their traders.

When the Easterner can unload on every interior town or camp, also on San Francisco itself, one can see how the factories are situated. They must have lower wage in order to compete, and the question is how will they get low wages? If the city were entirely a factory city, then the bosses by keeping coin out of the city as much as possible could perhaps lower wage. But when the commercial classes are numerous they can be bringing coin into the city, and so keep wages up. The result is, therefore, that the commercial class can hurt the factory class. (Of this result I will not be sure but call the reader's attention to it). How impossible therefore it may be to have low wage one can see. The presence of much money in the farm class, by reason of fruit, etc., sales, can help to keep up wages. This means crippling of the factory class as far as the whites are concerned.

The white factory portion of the city, if it cannot sell outside for coin, will not be able to buy from Chinese,

boots, etc., while, at the same time, white boots, etc., factories could hardly run when stores are selling Chinese or Eastern boots, etc., cheaper. This is a hard position, yet it is a true one, as regards San Francisco to-day. The white factory people, while using gold, silver or legal money, cannot, in San Francisco, keep up under such conditions.

If the white manufacturers cannot sell their product outside San Francisco, they cannot get the coin to pay workmen, buy materials, etc. In this case, the workmen will not get coin to patronize Chinese or cheap Eastern goods; also, many traders, landlords, etc., the coin to hire Chinese servants, etc. This is the condition to which things are going, but it may never get much farther than to close out the overproduction sales, because more than this would force a reduction of wage, whether workmen liked it or not.

The Chinese can sell shoes, etc., cheaper than the whites can make them, while the Easterner can keep the whites from selling outside in order to get the coin to buy of Chinese. This is a position that calls for heroic remedies, and may yet force the factory people to do away with legal money if they can.

Formerly, towns like Sacramento, Stockton, Marysville, etc., could sell on the mining camps, also sell among the farmers. As the latter got coin from Europe, it was about the same as selling on a mining camp. San Francisco could take this coin by unloading on the towns, and give it to Chinese or outsiders for products.

To-day this game is about up, for the Eastern drummer can sell on the towns and then go to the camps, supplying the camp stores. So the towns can not un-

load as easily as before, also San Francisco is barred out. The drummer can hurt a town like Sacramento, by supplying the camps, thus making the camps independent of Sacramento. The same thing can be done in Southern California, for the drummer can sell both in Los Angeles and in the smaller towns and camps about Los Angeles.

61. REMARKS.

With most people the only remedy for such a position as San Francisco is in, is to practice more economy, thrift, frugality, etc. As I see it, this is the natural remedy of man in his natural imaginative state ; but a wrong one. What San Francisco is suffering from is too much economy, etc. We live in shanties; our sewers, streets, docks, etc., are scrubby, and in every way we are a cheap people. The result is our trade is small, and of 120,000 whites available for some gainful occupation, 40,000 more or less are always loafing. Again, do we cut down our living, the economical Yankee will do the same, and the present condition of things will remain as they are. Money will pile up in banks ; rents, interest, etc., go down ; the city will circulate less money than to-day, etc.

Say, San Francisco to-day circulates ten millions and the State twenty millions. If, under economy, wages are reduced 20 per cent., then four millions will be piled up in the State, two millions of which will be in San Francisco. Therefore the State or city has no need of making money outside, for they will have too much already.

Do the commercial class of San Francisco, also the

wheat, fruit, wine, etc., producers, bring 10 or 20 millions of coin into the State and try to circulate it at once, wages will go up, when Chinese can be used to take the coin away. No more than 16 millions can be circulated are wages wanted to be low enough. The manufacturers, therefore, may find that they must suffer, because of the coin the commercial and farm people try to circulate, even do they act sensibly themselves.

Real estate speculators will want the city to circulate as much as possible. Every owner of sandlots in or near the city is interested in keeping much in circulation, while the factories that hire white workers are interested in having wages low enough so that they can hold their own. All this shows what the white factories may have to contend against.

62. A REMEDY.

Pinched as the white manufacturers are in San Francisco to-day, yet, as I see it, they can dictate as regards their prosperity. Were I owner of all the white factories in the city, did the workmen stand by me, I could within ninety days have good times. I may have to give up some kinds of manufacturing, but I could take much of the boot, cigar, etc., work Chinese now do, away from them.

The only thing that would stop me would be the United States law, for I would try to gain my object by discarding legal money, and using a money of my own for all local trade and wage paying connected with the factories. I would circulate my own bills instead of using the United States money.

Then did the Chinese want to pack my money to

China, they could pack and be damned. So could all the other dollar hunters. So long as I had paper and ink to print bills I would let the Chinese and dollar hunters have them. But the Chinese, etc., would not want them, and this is just what I would want. I would want a local money that Chinese, Yankees, etc., despised and would leave alone. Then they would not unload overproduction on my local market, and I could keep it myself.

To see how this works, suppose England discarded gold and silver, substituting a paper money, good only for merchandise. Then, if the United States dumped 200 millions worth of overproduction on England, they would have to take this paper. To gain by it they must buy 200 millions of English merchandise, which of course means exchange or stop selling. Neither could Germany, France, etc., unload on England, for they could not use the paper at home, it being only good for to buy in England with.

By using such a paper, one can see, at one stroke England can end all the dumping in of overproduction. The whole world would have to trade not dollar hunt, as regards England. Yet if the rest of the world used gold and silver, England could unload on them.

Some will say that this paper would spoil England's exchange trade. This is not so, for England could sell in other countries and buy return cargoes, the same as ever. It would not hurt an American trader, who, say, wanted to exchange a cargo of wheat for miscellaneous merchandise in England. All such a trader need do is, sell his wheat for paper and then buy his return cargo with the paper.

But a dollar hunter will be hurt. He cannot sell a

cargo of wheat in England, and then pack the paper home to use it, say in stock gambling, real estate inflating, or, as is the case in California, give it to Chinese. What could a Chinese-loving California scrub do with paper? His Chinese would not take it, and so, to one of Chinese taste, it would have no value.

Suppose the towns in California, with the exception of the bay cities, used a hansa paper, (as I will call merchandise paper,) then one can see that the bay cities could not unload on the interior towns, neither could the Easterner do any dollar hunting. Did San Francisco sell in Los Angeles, Sacramento or other interior towns, she would have to take hansa paper. This would force San Francisco to buy as much from the others as she sold to them.

63. About whether I could work this hansa paper or not, I have no doubt but what I could. The gain is immense, for by it one holds his home market. Were 5,000 of San Francisco's people using a hansa money between them, they need not fear any Chinese or others unloading on them. Then did they have overproduction, they could unload on the coin users or mining camps.

What I said I could do were I owner of San Francisco factories, (that is always supposing the workmen stood by me, also that the United States government did not step in with brute force) the San Francisco factory owners, or the factory owners of any town on the coast, could do. All they need do, is to act as one. Of course do they want to skin one another it is different. No one can do anything with men who have not sense enough to stand together.

Yet it is not necessary that all the factory owners act together. A dozen bosses with about 1,000 workmen between them can go for themselves. They can use a hansa paper between them, just as wholesale merchants use bills of credit, and with the rest of the people they can use legal money. I myself believe that 100 men all together could make good times for themselves under certain conditions, by combining and using paper, yet 1,000 would be better.

64. The knowledge that the people can do away with Chinese competition, also make good times within 90 days, by simply acting fair and square and using hansa paper, makes me rather indifferent to the Chinese question, etc. If the people want good times as I see it they can have them, but they must act a little more like men. We cannot have the pleasure of skinning one another, also treating each other as if we have no sense of right, and enjoy good times forever. But do we act the man we can have good times right along.

Any 1000 men by learning and willingness to do a fair thing by one another can separate from the herd to-day and have good times. But it is necessary that these 1,000 be scattered among the different trades. A combination of all shoemakers will do no good. But a combination of skilled workmen of many kinds can easily make a fine living. But before a 1000 can do this they must know their position as regards its bearings towards their fellows. This they cannot get by laying around saloons, slogger halls, etc. They must learn.

65. THE PRICE OF WHEAT.

The price of wheat in the English market is set by

the money in circulation in English trade channels. Reduce the money in circulation one half and nearly all the incomes of England are reduced one half. The people therefore could not pay more than one half what they now pay, and so wheat would go still lower. So one can say when English incomes or wages go up, the price of wheat can go up.

War can send up the price of wheat by reason of the government's borrowing idle money and buying with it. This will send up wage and incomes and so enable the people to pay a better price. When on the strength of war rumors wheat stiffens a little, it is because idle money is used by speculators to buy up wheat. But such prices can not be maintained unless the wages, etc., of England go up. Speculators buying from one another and the consuming public are two different things. The money must get into the mass and circulate before wheat, cotton, etc., go up and stay.

Should competition reduce still lower the coin in circulation, then wheat will be still lower in England. Should some of the idle money go into circulation then wheat will go up. Put as much money in circulation in 1886 as circulated in 1880 and the price of wheat can be as in 1880. One can see that the Americans by taking coin from English trade channels and bringing it home, do their best to reduce the price of wheat, cotton, etc.

66. There is plenty of idle money in the world, and is it put into circulation, wages, prices, etc., can go up. But is it not circulated, then prices will not go up. This idle money can be used to trade in factory, railroad, etc., stock, also buy and sell real estate, bonds, etc.,

but it can not be circulated unless it builds new roads, factories, ships, etc.

If England invests idle money in South America, Africa or Asia, this money will come back by trade channels, so going into circulation. It will give employment to ships and factories, and in every way make good times. It is mainly the arresting of this movement of money, that brings on the hard times of to-day. For the 40 years before 1873 there was a large amount of capital building. This ended about 1873, and unless it is again carried on good times will not come again. The boom of 1879-81 was due to such capital building.

Shortly after 1881, capitalists began to stop building, claiming that there was already too many railroads, etc. The stoppage caused factories, ships, etc., also to become too many, bringing on the situation of to-day. Now any reasoning man can judge for himself, if there is apt to be any such capital building in the future. If not then how are we ever to get the idle money again into circulation is the question? If there are too many railways, ships, etc., to-day, there is little hope of any one building any more.

67. Another effect of stoppage of capital building is, that it throws out of employment industrial people. A large number of the industrial people now in Europe and United States, were called from the farm class to assist in capital building. They created a great demand for factory products, while giving a large market for farmers' products, which again resulted in large sales of factory products to farmers.

Do these people again go back to farming, of course the factory and farm demand they created will disappear,

causing factories, etc., to lie idle, while degrading the farm class. England is full of such idlers, while in United States it is said millions loaf. Shall all these go back to farms, is the question ?

68. One often hears of the fact, that there are too many young men wanting to be traders, clerks, etc., and too few wanting to be mechanics, etc. Those who speak so, do not take into account that there was only a demand for 7,800 industrial workers per each 100,000 people in the United States in the census year of 1880, while in West Europe 13 or 14,000 industrial workers are worked. Also, I believe in Europe the 14,000 average more months work in a year than the 7,800 did in 1880. Since 1880 there have been many discharged, and if, perhaps, the 7,800 did work, they do not average as many days labor as in 1880.

The farm life in United States is a dog's life, It is an isolated shanty existence. Only an existence can it be called. A few farmers do well, but the average do not get much. If the American people want to get youths to remain on a farm, they should not educate them, for mental activity and a scrub farm life do not go together. This accounts for men disliking farm life.

Again, in the factories, shops, etc., of United States, driving is done. It seems as if the Yankees want to make the industrial class as obnoxious as possible. This driving, with its result of rushing, is helped by the fact that we are a cheap race. As only scrub work is wanted, of course driving can be done. If the American people become more of a quality people, they would have to stop driving and rushing, because good work cannot be done by rushing, and good mechanics do not as a rule stand driving so well. It is because the work

demand is scrubby that the work is done with a rush. America is a good country for a scrub and a poor one for good workmen.

Now I am convinced, if the work were but made pleasant, and these scrubs who hire out to drive their fellows, discharged; also that a finer grade of work were demanded, that there would be more who would work at industrial work. But the brutal drivers force many of the best workmen out of the industrial class wherever they are used. They are a low class, and since slavery was abolished have lost their old job of negro driving. The Yankee ship captains who figure so prominently in our courts are a part of the same breed the drivers are taken from. They are an ignorant, immoral, rotten souled set of scrubs, who, were good work in demand, would not be heard of.

Artistic work with time to do it in, and scrub work with a dog over one, who never is satisfied, are two different things. Could I get good work say by the piece I never would think of being a clerk, etc. So my experience convinces me all others who like good work, feel.

69. It is often asked does machinery hurt. I say yes, when used in a wrong spirit. If used rightly it should benefit not hurt, but it seldom is. Suppose Germany could by using machinery do with 7,000 industrial workers what is now done by 14,000. One can see that the 7,000 forced from a job, must either loaf half the time and by competition with the 7,000 manage to live, or they must overcrowd and degrade the farm or non-producing classes.

To enter the farm class, supposing that to be possi-

ble, would degrade the farm class. Also it would reduce the industrial demand. To enter the non-producing class would also degrade. So one can see Germany would not gain, but become degraded by following the Yankee style. Instead of 14,000 easy go lucky Teutons, one would find 7,000 rushed like dogs. The only ones who would gain would be that class that produces drivers. But as Germans sooner fight under a Yunker than be driven like a dog by a Yankee spirited driver, one need not fear Germany will ever become a Yankee spirited country.

I myself am Teuton enough to prefer to be bossed by a Yunker, than to be bossed by such miserable scrubs they make drivers of in United States. Just imagine what pleasure it is to be under men like the ruffianly Yankee ship captains that our courts show exist. A Yunker is bad enough, but he has some honor, while a driver has no more than a serf.

Machinery if it would cause a cutting down of the hours of labor, and leave still 14,000 industrial workers per each 100,000 German people, would not hurt. Yet here comes in another view and that is that fine quality work is more hand work than machinery. If United States people wanted twice as fine work, also more original work, more hand work would be necessary. It is because all are of one taste in the United States and this a scrub taste, that much of the machinery is used.

Again, did machinery reduce the 14,000 German workers to 7,000 for each 100,000 people, the wages of the 7,000 could be higher were the tariffs also raised. This to guessing people would seem a gain, for they would point to the fact that wages go up. But any

reasoning man can see that this is not the case, for the higher wages come by making tramps of other workmen. Rushing acts the same. If 7,000 Yankees by rushing and machinery, do the work of 15,000 when working German style, of course the wages go up, for the 7,000 get all the work that should go for 15,000.

If machinery using was accompanied by a taste for a finer quality of living, then, as more work would be demanded, it would be beneficial. But economy, competition, coarse taste, etc., all are against an increase in the quality of living, and as regards shelter, etc., I have shown in Chapter X. that there is more wealth created by building cheap than by building finely.

70. It is reported that the New England manufacturers are advised to try and capture the trade in fine goods, which are now bought in Europe, because the South and West are now beginning to make their own coarse industrial products instead of buying of New England.

It is well known that the manufacturers of New England have been, for years, bringing into their State the cheapest and scrubbiest tasting workmen they could find. Now, I think it will be a hard job to get scrubs to do fine work, and that New England must get a different class of workers before she can do the fine artistic work now done in Europe. This will be one difficulty in the way of New England changing.

Again, suppose that to-day the South and West receive coin from Europe for cotton, wheat, etc., which coin the Yankees (New Englanders) receive in return for manufactures, and then pay it to Europe for artistic products. One can see that if this outlet to Europe is closed, also the South and West produce man-

ufactures for themselves, that the movement of money now going on will be blocked. This will cause all kind of difficulties. The South and West receive coin from outside and must pay it out or it will pile up, raise wage if circulated, and end in disaster.

Thus two difficulties are in the way of New England trying to make artistic productions. One, that she has not the right kind of men, and the other the derangement such a stoppage of the outgo of money would bring about. The paupers New England has been importing for decades will be found a nuisance when finer work is attempted.

71. The Yankee is himself to blame for much of the growth of manufacturing in the South and West. He drains these districts of much money, and so helps to make labor cheap in the South and West. As I see it the proper way is to keep as much money circulating in the South and West as is possible, which of course will keep wages up and make manufacturing impossible. For example, suppose with free trade, England could unload 300 millions of overproduction on United States each year. Now did England take the 300 millions of money received out of United States a fall in wages, etc., would result, which may allow the United States manufacturers to hold their own. So by reducing wages in United States, the English would hurt themselves.

This is what the Yankees do. They pack the money home, instead of using what they make in South and West to buy or build railroads, etc., in South or West. If they do not want to do this, then they better stop making overproduction, and spend the time saved in

learning. All overproducing is good for is to get the better of another, and this an outsider.

The North Atlantic States are therefore themselves to blame, if they, after for years making it a practice to invest overproduction money in South and West, stop this investing on the plea that there are too many roads, and then reduce the coin in circulation in South and West, so forcing the South and West to produce for themselves.

72. Until lately the English had things their own way, but the growth of economy has hurt the English. For example: they could formerly, say, invest money in United States and get it back without overproduction. The same all over the world. To-day do they invest in United States the Yankees can, by saving, pile it up in banks. This of course keeps it out of circulation, for if, when 200 millions come into United States there are 200 millions taken from circulation and piled in banks, no inflation takes place. For this reason, it is risky for England to invest in United States.

When England invests in other countries, say like South America, the Germans, etc., can perhaps unload and get some of the money. One can see that if England cannot hold her own against Germany, etc., then she has no longer the power to invest money outside and get it back. This makes a big difference in England's situation to-day. Of course, if England drops wage, she can counteract such actions by Germany and others, yet her trades unions are against cutting wage; while rents, etc., suffer from such cutting.

If the West and South adopt the Yankee tactics of economy, one can see that even did the Yankees in-

vest money in West and South, it may never circulate. So gradually New England must, like England, become satisfied with the work her own civilization creates. This means that, in the end, economy may have to be given up.

73. ONE EFFECT OF STRIKES.

There is plenty of idle money in Europe and United States to-day, which, if put into circulation, would allow of workmen striking and raising wages. But one nation can not circulate more because if it did the other nations would unload overproduction and take the money away. So unless United States raises the tariff, the American workmen cannot raise wage. Also should competition cause prices to fall the wages must come down.

San Francisco is governed by the same laws. If wages and prices are too high, then Easterners can unload on the city the same as Chinese can. This is what hurts the city to-day. Wages should come down in this case, and workmen should not resist by striking.

By striking for higher wages, workmen cut down the power to sell overproduction, or even the merchandise necessary for to buy farm products, etc., with. Were there no Chinese in San Francisco, and 10,000 white workmen worked on overproduction, while 40,000 worked for the city, by striking for higher wage and getting it, the 10,000 workmen could lose a job and only 40,000 find work. By sending wage up too high the 40,000 could be reduced. So workmen can reduce the amount of work by too high wages.

This trying to get higher wage, it will be seen, and

the reluctance of workmen to come down, shows how the tendency is to always force people back on their own consumption. As soon as the Chinese leave California, the workmen, if they can, will send up wage, which will close out all overproduction work. Fewer workmen can be worked when balanced trade is the rule, than when overproduction can be unloaded outside. The cutting down of England's power to unload, which the trade unions of England are partly responsible for, can be one of the causes why so many English workmen to-day are loafing.

CONCLUSION.

I can note in conclusion that any 1000 or even 100 fine first class workmen scattered among the various trades can by combining easily have good times. All that is needed, is that they come together and by using a hansa paper keep the dollar hunters from unloading on them.

Those who are willing to study and learn need not suffer. This conclusion my studies have forced me to. It is only those who do not want to learn to do mechanical work, that can not help themselves.

This one can see by considering what would be necessary to make a combination of 20 or 100 or 1000 men successful. The knowledge to run the factories and do all kinds of work necessary in order to make the best of everything is necessary. With scrubs one could do little. The knowledge is what is wanted more than anything else.

Twenty young men with 500 or 1000 capital each or

just enough to enable each to work for himself at his trade, can, are they scattered among 20 of the main-living trades make an effective combination. They would make a combination of 20 small manufacturers. Are they successful and can in time hire workmen, each of the 20 can build up a factory. So in perhaps a few years the 20 can be each at the head of a large factory system. To do this, however, requires a thorough knowledge by each of the 20 of his trade.

This is all that I consider necessary for to make good times for any 20 or more men in United States. How 20 or more men who sooner lay around saloons and slogging dens instead of learning can have good times, I can not tell. I can not tell how ignorant people who prefer to be ignorant can have better times than they now get and will get.

One must have the men. With serfs or those who only care for serf's living and pleasures one can do little. But any 1000 men with the necessary knowledge of factory production, are foolish to allow Chinese, Yankees, etc., to bother them.

[THE END]

NOTES

ON

CIVILIZATION,

OVER-PRODUCTION,

COMPETITION,

PROTECTION,

SILVER QUESTION,

CHINESE, ETC.

—GIVING—

A CAUSE FOR THE PRESENT DULL TIMES

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